

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1939

No. 34

**ESTATE OF CHARLES HENRY SANFORD, DE-
CEASED, JENNIE R. BAIRD, SUBSTITUTIONARY
ADMINISTRATRIX, C. T. A., PETITIONER,**

vs.

COMMISSIONER OF INTERNAL REVENUE

**ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE THIRD CIRCUIT**

PETITION FOR CERTIORARI FILED APRIL 17, 1939.

CERTIORARI GRANTED MAY 15, 1939.

SUPREME COURT OF THE UNITED STATES

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vs.

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[fol. 1]

BEFORE UNITED STATES BOARD OF TAX APPEALS

Docket No. 91847

**JOSEPH McDERMOTT, Administrator C. T. A. of the Estate
of Charles Henry Sanford (Deceased)**

**Amended Title: Estate of Charles Henry Sanford, De-
ceased; JOSEPH McDERMOTT, Administrator, C. T. A. (See
Order 1/27/38), Petitioner,**

v.

COMMISSIONER OF INTERNAL REVENUE, Respondent

Appearances:

**For Taxpayer: Montgomery B. Angell, William A. Carr,
Otis T. Bradley.**

For Commissioner: L. S. Pendleton, Esq.

DOCKET ENTRIES

**Jan. 7, 1938. Petition received and filed. Taxpayer noti-
fied. (Fee paid.)**

Jan. 7, 1938. Copy of petition served on General Counsel.

**Jan. 26, 1938. Motion to correct the caption to read "Es-
tate of Charles Henry Sanford, deceased, Joseph McDer-
mott, Administrator, c. t. a." filed by taxpayer.**

**[fol. 2] Jan. 27, 1938. Order that the caption be changed
to read "Estate of Charles Henry Sanford, deceased,
Joseph McDermott, Administrator, C. T. A.," entered.**

Feb. 3, 1938. Answer filed by General Counsel.

Feb. 4, 1938. Hearing set Feb. 15, 1938. Answer served.

**Feb. 15, 1938. Hearing had before Mr. Murdock on merits.
Submitted. (Argument by Mr. Angell and Mr. Pendleton.
(Appearance of Messrs. Angell, Bradley and Carr, Esquires,
filed. Stipulation and supplemental stipulations Nos. 1 and
2 filed. Petitioner's brief due 3/4/38. Respondent's brief
due 3/15/38.**

Feb. 26, 1938. Transcript of hearing 2/15/38 filed.

**Mar. 4, 1938. Brief filed by taxpayer. 3/4/38 copy served
on General Counsel.**

Mar. 12, 1938. Brief filed by General Counsel.

Docket Entries—Continued

Mar. 25, 1938. Supplemental Brief filed by taxpayer. 3/25/38 copy served on General Counsel.

Apr. 4, 1938. Supplemental reply brief filed by General Counsel.

Apr. 13, 1938. Memorandum Opinion rendered, John E. Murdock, Div. 3. Decision will be entered for the respondent.

Apr. 14, 1938. Decision entered, J. E. Murdock, Div. 3.

[fol. 3] Apr. 28, 1938. Petition for review by United States Circuit Court of Appeals, Third Circuit, with assignments of error filed by taxpayer.

Apr. 28, 1938. Proof of service filed by taxpayer.

Apr. 28, 1938. Agreed statement of evidence approved and ordered filed.

Apr. 28, 1938. Proof of service of praecipe filed.

[fol. 4] BEFORE UNITED STATES BOARD OF TAX APPEALS

[Title omitted]

PETITION—Filed January 7, 1938

The above-named petitioner, by his undersigned attorneys, hereby petitions for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency (MT-ET-GT-25-24-1st New Jersey) dated October 16, 1937, and as a basis of his proceedings alleges as follows:

1. The petitioner is a citizen of New Jersey, and resides at Freehold, New Jersey. He is the duly qualified and acting administrator c. t. a. of the estate of Charles Henry Sanford, deceased, who died a resident of Monmouth County, New Jersey, on December 22, 1928.

2. Upon information and belief, the notice of deficiency (a copy of which is attached hereto and marked Exhibit A) was mailed to the petitioner on or about October 16, 1937.

3. The taxes in controversy are Federal gift taxes, and the amount in controversy is \$1,000,745.

4. The determination of the gift taxes set forth in the said notice of deficiency is based upon the following errors:

[fol. 5] (a) The Commissioner erred in determining that Charles Henry Sanford, now deceased, by virtue of a certain supplemental trust indenture made on August 21, 1924, wherein the deceased amended the trust indenture dated December 24, 1913, and renounced all rights to further modify the terms of the trust indenture of December 24, 1913, made a gift of certain property in 1924 taxable under the provisions of the Gift Tax Law of 1924.

(b) The Commissioner erred in failing to determine that Charles Henry Sanford in 1919 made a completed gift of and put beyond recall the property held in the trusts when on November 26, 1919, he modified the original trust indenture of December 24, 1913, and indentures supplemental thereto, renouncing all right to revest in himself either the principal or income of the trusts, and reserving only the right to modify such trusts, and consequently the deceased made no taxable transfer on August 21, 1924, when he surrendered his right to modify the trusts.

(c) The Commissioner erred in holding that the surrender in 1924 by the settlor of the right to modify the terms of the trusts constituted a taxable gift in 1924, when in 1919 the settlor had by appropriate instrument surrendered any and all rights to revest in himself either the corpus or income of the trust funds.

(d) The Commissioner erred in determining that where the settlor of certain trusts surrendered all power of revocation many years prior to the enactment of any Federal Gift Tax Act, reserving only the right to modify as distinguished from the right to revest in himself any income or principal, the relinquishment of this right to modify in a subsequent year when the Federal Gift Tax Act was in effect subjected the settlor of the trusts and his estate to a gift tax [fol. 6] measured by the value of the trust property at the time the right of modification was surrendered.

(e) The Commissioner erred in determining that there is any deficiency in Federal gift taxes for which the petitioner is liable, either in the amount of \$1,000,745 or in any amount whatever.

5. The facts upon which the petitioner relies as the basis of this proceeding are as follows:

(a) On December 24, 1913, Charles Henry Sanford, the deceased, created four certain trusts, of which in each in-

stance the Guaranty Trust Company of New York was trustee. On December 24, 1913, and at various times thereafter, the deceased transferred certain property to the Guaranty Trust Company of New York as trustee under such trusts. These four trusts were created under one trust indenture dated December 24, 1913, and are known, respectively, as the "Sarita E. Barclay Trust," the "Frances G. Phipps Trust," the "Herbert S. Ward Trust" and the "Colville H. S. Barclay Trust."

(b) Under the original trust indenture, the deceased reserved the power of revocation and of modification. From time to time the deceased made certain modifications in these trusts not material to the issues raised herein. On November 26, 1919, the deceased entered into a supplemental trust indenture which after reciting the provisions of the instrument dated December 24, 1913, reserving to the deceased the right of revocation and of modification, stated that such provisions were modified so as to read as follows:

"The party of the first part, however, reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required [fol. 7] to be acknowledged under the laws of the State of New York, and filed with the party of the second part; but this right of modification, however, shall in no way be deemed or construed to include any right or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument."

(c) The deceased's rights in respect of the trusts lay in this condition until August 21, 1924. On that date, the deceased executed a supplemental trust indenture, which, after reciting certain paragraphs in the indenture then in effect, including the paragraph quoted above covering the power of modification, provided that such provisions—

"are hereby revoked and in their place and stead the following terms shall apply and govern as to each and every trust created hereunder, to wit:

.

(7) The party of the first part hereby renounces all rights to further modify the terms of the said trusts or any of

them and does hereby surrender all such rights reserved to him by the indenture of December 24, 1913, and by the various indentures supplemental thereto."

(d) Aside from Charles Henry Sanford's reserved power to retake the principal and income of the trusts, which he irrevocably surrendered on November 26, 1919; by supplemental trust indenture, Charles Henry Sanford did not at any time have any beneficial interest in the trusts.

(e) No gift tax return was filed by Charles Henry Sanford for 1924. In the summer or early fall of 1934, a representative of the Bureau of Internal Revenue, during an interview with the petitioner, raised the question as to whether the settlor's surrender of the right to modify the terms of the trust on August 21, 1924, imposed a gift tax [fol. 8] in respect of the properties transferred in trust. Thereupon, the petitioner prepared and on or about October 16, 1934, filed a gift tax return with the Collector of Internal Revenue for the District of New Jersey in Newark listing the property held by the trustee in these trusts on August 21, 1924, but disclaiming any liability for a gift tax. A case was made upon such return and a hearing was had in Washington before the representatives of the Miscellaneous Tax Division, at which the issue raised was fully presented orally and a comprehensive memorandum of law was filed.

(f) Early in 1935, the petitioner was advised that the matter had been referred to the General Counsel of the Bureau of Internal Revenue for further consideration, and on or about March 27, 1935, an extended hearing was had, at which the Acting General Counsel and various other representatives of the Bureau of Internal Revenue were present. Again the question was fully and completely presented, with repeated references to the written memorandum of law filed the preceding October.

(g) Following this hearing, under date of April 19, 1935, D. S. Bliss, Deputy Commissioner of Internal Revenue, addressed a letter to the petitioner at Freehold, New Jersey, a copy of which is attached hereto marked Exhibit B. Upon information and belief, before the aforesaid letter of April 19, 1935, was dispatched, the proposed action of the Commissioner of Internal Revenue was submitted to

the Secretary of the Treasury or the Under-Secretary of the Treasury, and was approved by him.

(h) For the purposes of this proceeding, the aggregate value of all of the property held in the trusts as of August 21, 1924, was \$6,846,225.06.

[fol. 9] Wherefore, the petitioner prays that this Board hear these proceedings and determine that the deficiency determined by the respondent in his notice of deficiency amounting to \$1,000,745 is erroneous; that there is no deficiency in respect of petitioner's gift taxes for the year 1924, or for any other year; and that the Board grant such other and further relief as it may deem proper.

(Sgd.) Montgomery B. Angell, William A. Carr, Attorneys for the Petitioner.

Duly sworn to by Joseph McDermott. Jurat omitted in printing.

[fol. 10] EXHIBIT "A" TO PETITION

Treasury Department, Washington

Office of Commissioner of Internal Revenue

Address Reply to Commissioner of Internal Revenue and Refer to MT-ET-GT-25-24-1st New Jersey.

Donor—Charles Henry Sanford (Deceased).

Oct. 16, 1937.

Joseph McDermott, Administrator, c. t. a., Freehold, New Jersey.

Sir:

A deficiency of \$1,000,745.00 in the Federal gift tax liability of the above-named deceased donor for the calendar year 1924, has been determined after an examination of the return, Form 706A, and other data on file. The determination of the deficiency and the action of this office is fully explained in the attached statement.

This notice of deficiency is given in accordance with the provisions of section 318 (a) of the Revenue Act of 1926, and section 308 (a) of the Revenue Act of 1926, as amended by section 501 of the Revenue Act of 1934, and a petition for a redetermination of the deficiency may be filed with the United States Board of Tax Appeals within ninety days

(not counting Sunday or a legal holiday in the District of Columbia as the ninetieth day) from the date of the mailing of this letter. If you acquiesce in this determination and do not desire to file a petition with the United States Board of Tax Appeals, you are requested to execute and [fol. 11] forward the enclosed Form 890A, waiving the restrictions on the immediate assessment and collection of the deficiency.

The submission of the waiver will expedite the closing of this case and will also benefit you by preventing the accumulation of interest charges, as the interest period terminates thirty days after the filing of the waiver or on the date of assessment, whichever is earlier. The signing of the waiver does not prejudice your right to file a claim for refund of all or any portion of the tax. If you desire to consent to the assessment and collection of only a part of the deficiency, the enclosed form of waiver should be executed in such partial amount.

If within the ninety-day period a petition has not been filed with the United States Board of Tax Appeals or the waiver, Form 890A, has not been submitted, the deficiency will be thereafter assessed.

Respectfully, Guy T. Helvering, Commissioner,
(Signed) by: D. S. Bliss, Deputy Commissioner.

Enclosures: Statement. Waiver.

Statement

By virtue of the supplemental indenture made the 21st day of August, 1924, wherein the deceased donor amended the indenture dated December 24, 1913, and renounced all rights to further modify the terms of the December 24, 1913 trust, the deceased donor made a taxable gift. The [fol. 12] value of such gift is explained in the following computation:

	Returned	Determined
Total gifts, 1924	\$0.00	\$6,846,225.06
Less specific exemption	0.00	50,000.00
Net gifts, 1924	0.00	6,796,225.06
Tax on net gifts for 1924		\$1,000,745.00
Tax assessed on return		0.00
Deficiency		\$1,000,745.00

The deficiency bears interest at the rate of six per cent per annum from the due date of the tax, March 15, 1925, to the date of assessment, or to the thirtieth day after the filing of a waiver of the restrictions on the assessment, whichever is the earlier.

The deficiency results from the following adjustments:

Schedule A

Total value of "Sarita E. Barclay Trust" as of August 21, 1924	\$0.00	\$2,209,225.77
Total value of "Frances G. Phipps Trust" as of August 21, 1924	0.00	2,209,285.88
Total value of "Herbert S. Ward Trust" as of August 21, 1924	0.00	2,210,387.56
Total value of "Colville H. S. Barclay Trust" as of August 21, 1924	0.00	217,325.85

[fol. 13]

EXHIBIT "B" TO PETITION

Treasury Department, Washington

Office of Commissioner of Internal Revenue

Address Reply to Commissioner of Internal Revenue and Refer to MT-ET-GT-CI-25-1st New Jersey.

Donor—Charles Henry Sanford.

Apr. 19, 1935.

Joseph McDermott, Administrator, Freehold, New Jersey.

Sir:

The gift tax return filed on Form 706-A for the calendar year 1924 in behalf of Charles Henry Sanford, deceased December 22, 1928, has been examined in connection with the information of record.

The examination discloses no gift tax liability. Accordingly, the case has been marked closed in so far as the Federal gift tax is concerned.

Respectfully, D. S. Bliss, Deputy Commissioner.

[fol. 14] BEFORE UNITED STATES BOARD OF TAX APPEALS

ANSWER—Filed February 3, 1938

The Commissioner of Internal Revenue, the respondent herein, by his attorney, J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, for answer to the petition filed by the above-named petitioner, admits and denies as follows:

1, 2, 3. Admits the allegations contained in paragraphs Nos. 1, 2 and 3 of the petition.

4. (a), (b), (c), (d), (e). Denies that the determination of the deficiency is based upon errors as alleged in paragraphs No. 4 (a), (b), (c), (d) and (e) of the petition.

5. (a). Denies the matter set forth in paragraph No. 5 (a) of the petition, except it is admitted that on December 24, 1913 Charles H. Sanford created certain trusts of which the Guaranty Trust Company of New York as trustee; that on December 24, 1915 and at various times thereafter the deceased transferred certain property to the Guaranty Trust Company of New York as trustee, under such trusts, and that the trusts were created under one trust indenture dated December 24, 1913.

(b), (c). Denies the matters set forth in paragraph No. 5 (b) and (c) of the petition, except it is admitted that on November 26, 1919, and August 21, 1924, the decedent entered into and executed supplemental trust indentures.

(d). Denies the allegations contained in paragraph No. 5 (d) of the petition.

(e). Denies the matter set forth in paragraph No. 5 (e) of the petition, except it is admitted that no gift tax return [fol. 15] was filed by Charles Henry Sanford for 1924 and that the petitioner filed a gift tax return with the Collector of Internal Revenue for the district of New Jersey, at Newark, listing the property held by the trustee in these trusts on August 21, 1924, but disclaiming any liability for a gift tax.

(f), (g). Denies the allegations contained in paragraph No. 5 (f) and (g) of the petition.

(h). Admits the allegations contained in paragraph No. 5 (h) of the petition.

Denies generally and specifically each and every allegation contained in the petition, not hereinbefore admitted, qualified or denied.

Wherefore, it is prayed that the Commissioner's determination be approved.

(Sgd.) J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue.

Of Counsel: Frank T. Horner, Lewis S. Pendleton, Special Attorneys, Bureau of Internal Revenue.

LSP/bj 1/21/38.

[fol. 16] BEFORE UNITED STATES BOARD OF TAX APPEALS

ORDER TO AMEND CAPTION—Filed January 27, 1938

On motion of counsel for the petitioner, it is

Ordered that the caption of the proceeding at the above docket number be and the same is hereby amended to read Estate of Charles Henry Sanford, deceased, Joseph McDermott, Administrator, c. t. a., Petitioner, v. Commissioner of Internal Revenue, Respondent, instead of Joseph McDermott, Administrator c. t. a. of the Estate of Charles Henry Sanford, deceased, Petitioner, v. Commissioner of Internal Revenue, Respondent.

(Sgd.) C. R. Arundell, Member.

Dated Washington, D. C., January 27, 1938.

cgh.

[fol. 17] BEFORE UNITED STATES BOARD OF TAX APPEALS

[Title omitted]

STIPULATION OF FACTS—Filed February 15, 1938

It is hereby stipulated and agreed by and between the parties to the above-entitled appeal, by their respective attorneys, that the following facts may be taken as true, subject, however, to the right of either party to introduce other and further evidence not inconsistent with the facts herein stipulated.

(1) Joseph McDermott, the petitioner, is a citizen of the State of New Jersey, and resides at Freehold, New Jersey.

He is the duly qualified and acting administrator cum testamento annexo of the Estate of Charles Henry Sanford, deceased, who died a resident of Monmouth County, New Jersey, on December 22, 1928.

(2) The notice of deficiency (a true copy of which is attached to the petition herein, marked Exhibit A) was mailed to the petitioner on October 16, 1937.

(3) The taxes in controversy are Federal gift taxes for the calendar year 1924, and the amount in controversy is \$1,000,745.00.

[fol. 18] (4) On December 24, 1913 Charles Henry Sanford, the deceased, created certain trusts, of which the Guaranty Trust Company of New York was trustee. On December 24, 1913, and at various times thereafter, the deceased transferred certain property to the Guaranty Trust Company of New York as trustee under such trusts. The trusts were created under one trust indenture dated December 24, 1913. In this trust indenture and all supplemental trust indentures, Charles Henry Sanford was designated as the party of the first part and the Guaranty Trust Company of New York as party of the second part.

(5) On November 26, 1919 and August 21, 1924 the deceased, Charles Henry Sanford, executed supplemental trust indentures.

(6) There is attached hereto [at end of record] as Annex A a copy of the aforesaid trust indenture of December 24, 1913, and copies of all supplemental trust indentures.

(7) No gift tax return was filed by Charles Henry Sanford for 1924, but on October 22, 1934, the petitioner filed with the Collector of Internal Revenue for the district of New Jersey, in Newark, New Jersey, a gift tax return in behalf of the Estate of Charles Henry Sanford for the year 1924, listing the property held by the trustee in these trusts on August 21, 1924, but disclaiming any liability for a gift tax.

(8) For the purposes of this proceeding the aggregate value of all of the property held in the trusts as of August 21, 1924, was \$6,846,225.06.

Montgomery B. Angell, Attorney for Petitioner. - J.
P. Wenchel, Chief Counsel, Bureau of Internal Revenue.

[fol. 19] BEFORE UNITED STATES BOARD OF TAX APPEALS

SUPPLEMENTAL STIPULATION No. 1—Filed February 15, 1938

It is hereby stipulated and agreed, by and between the parties to the above entitled appeal, by their respective attorneys, that the following facts may be taken as true, subject, however, to the right of either party to introduce other and further evidence and to object to the relevancy or materiality of any of the facts herein stipulated.

1. For the purposes of this proceeding only, the recitals of the trust indentures of December 24, 1913, and of the supplemental trust indentures (Modifications Nos. 1 to 11, inclusive, as more particularly described on the cover page of Annex A to the original stipulation herein) may be taken as true; and that Sarita E. Barclay, Frances G. Phipps, Herbert S. Ward and Colville H. S. Barclay were alive and in being on August 21, 1924.

2. In the early fall of 1934, a revenue agent, in an interview with the petitioner, raised the question as to whether the surrender on August 21, 1924, by Charles Henry Sanford of the right to modify the terms of the trust imposed a gift tax in respect to the property constituting the corpus of the trusts. Following this interview petitioner filed a gift tax return as set forth in the main stipulation herein, Par. (7).

3. Following the filing of this return a hearing on the question of the taxability of the transfer in 1924 was held on October 18, 1934, in Washington before representatives of the Miscellaneous Tax Unit, charged with the administration of the Gift Tax Act, at which counsel for the petitioner appeared. At this hearing a memorandum of law [fol. 20] was filed on behalf of the petitioner and the question was fully argued and considered.

4. Subsequently the question was referred to the Assistant General Counsel for the Bureau of Internal Revenue and on March 27, 1935, a hearing was had before the Acting Assistant General Counsel for the Bureau of Internal Revenue at which counsel for the petitioner again appeared and some ten or twelve representatives of the Assistant General Counsel's office and the Bureau of Internal Revenue were present. The question was again fully argued and considered. Following the hearing, a memorandum (unpub-

lished) known as G. C. M. 14774 was prepared in the office of the Assistant General Counsel for the Bureau of Internal Revenue and delivered to the Deputy Commissioner in Charge of the Miscellaneous Tax Unit, which ruling was signed in the name of the Assistant General Counsel for the Bureau of Internal Revenue. A copy of this ruling is attached hereto as Exhibit "B".

5. Prior to the ruling known as G. C. M. 14774, attached hereto as Exhibit "B," and before the hearing had before the Assistant General Counsel for the Bureau of Internal Revenue on March 27, 1935, the Assistant General Counsel addressed a memorandum (unpublished) to the Under Secretary of the Treasury dated February 21, 1935, known as G. C. M. 14497, a copy of which is attached hereto as Exhibit "C".

6. Under date of April 8, 1935, Mr. Arthur H. Kent, Acting Assistant General Counsel for the Bureau of Internal Revenue, addressed a memorandum to Herman Oliphant, the General Counsel for the Treasury Department, a copy of which is attached hereto marked Exhibit "D."

7. On or about April 19, 1935, Deputy Commissioner Bliss signed and mailed a letter to the petitioner ruling that an [fol. 21] examination of the gift tax return filed by the petitioner for 1924 disclosed no gift tax liability. A copy of this letter dated April 19, 1935, is attached hereto as Exhibit "E".

8. Prior to the mailing of Deputy Commissioner Bliss' letter of April 19, 1935, the ruling incorporated in such letter was approved by the Assistant General Counsel for the Bureau of Internal Revenue as evidenced by the memorandum known as G. C. M. 14774 attached hereto as Exhibit "B".

9. In his administration of the Gift Tax Act of 1924 and the Gift Tax Act of 1932, and prior to the promulgation of the decision in the case of *Hesslein v. Hoey*, 91 Fed. (2) 954, decided July 26, 1937, it has been the uniform practice of the Commissioner of Internal Revenue in adjusting cases of the character of that here involved to treat the taxable transfer subject to the gift tax as occurring when the transferor relinquished all power to revest in himself title to the property constituting the subject of the transfer. It is esti-

mated that approximately 300 cases of such character have been closed or were adjusted in accordance with the above practice.

10. Under date of October 14, 1937, the Chief Counsel for the Bureau of Internal Revenue addressed a memorandum known as G. C. M. 19260 to the Deputy Commissioner in Charge of the Miscellaneous Tax Unit, a copy of which is attached hereto as Exhibit "F."

William A. Carr, Montgomery B. Angell, Attorneys for Petitioner. J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Attorney for Respondent.

[fol. 22] EXHIBIT "B" TO SUPPLEMENTAL STIPULATION
(No. 1)

GC: I: MAW.
A-282188.

Apr. 8, 1935.

In re Charles Henry Sanford Estate, Freehold, New Jersey
G. C. M. 14774.

Deputy Commissioner Bliss:

Reference is made to your memorandum of February 6, 1935, in which you request to be advised whether the transfer by gift of property belonging to the above named decedent is subject to the gift tax imposed by section 319 of the Revenue Act of 1924.

The said law imposed a tax—

"... upon the transfer by . . . gift . . . of any property . . . , whether made directly or indirectly, . . ."

On December 24, 1913, the said Charles Henry Sanford created certain trusts, reserving to himself the right to terminate or modify any or all of them. On November 26, 1919, he relinquished the right to terminate said trusts but reserved to himself the right to modify them, specifying, however, that such right of modification should not be so construed as to include any right or privilege to withdraw

either principal or interest from any trust. On August 21, 1924, the said Sanford renounced all right to modify the said trusts. He died December 22, 1928.

Inasmuch as the trusts were created and the right to terminate them was relinquished before the law imposing the gift tax became effective the sole question to be considered is whether the renouncement of the right of Sanford to modify the trust, a transaction which occurred on August 21, 1924, after the gift tax became effective, operated as a transfer of property by gift and was subject to tax.

[fol. 23] It is well settled that the mere creation of a revocable trust does not operate as a transfer of property. The settlor of such a trust retains complete control over the property; the income from the property is taxable to him (*Corliss v. Bowers*, 281 U. S. 376) and on the settlor's death the property is taxable as a part of his estate (*Reinecke v. Northern Trust Co.*, 278 U. S. 339).

In the leading case of *Burnet v. Guggenheim* (288 U. S. 280), the Supreme Court considered the question whether deeds of trust made in 1917, with a reservation to the grantor of a power of revocation, became taxable as gifts under the Revenue Act of 1924 when in 1925 there was a change in the deeds by the cancellation of the power to revoke. In its opinion the court used the following language, viz:

“ * * * Congress did not mean that the tax should be paid twice, or partly at one time and partly at another. If a revocable deed of trust is a present transfer by gift, there is not another transfer when the power is extinguished. If there is not a present transfer upon the delivery of the revocable deed, then there is such a transfer upon the extinguishment of the power. There must be a choice, and a consistent choice, between the one date and the other.
 * * * The statute is not aimed at every transfer of the legal title without consideration. Such a transfer there would be if the trustees were to hold for the use of the grantor. It is aimed at transfers of the title that have the quality of a gift, and a gift is not consummate until put beyond recall.

“ * * * The tax upon gifts is closely related both in structure and in purpose to the tax upon those transfers

[fol. 24] that take effect at death. What is paid upon the one is in certain circumstances a credit to be applied in reduction of what will be due upon the other, 43 Stat. 315, section 322, 26 U. S. C. section 1134 (26 U. S. C. A. section 1134 and note). The gift tax is part 2 of title 3 of the Revenue Act of 1924, (see 26 U. S. C. A. section 1131 note et seq.); the estate tax is part 1 of the same title (see 26 U. S. C. A. section 1091 et seq.). The two statutes are plainly in *pari materia*. There has been a steady widening of the concept of a transfer for the purpose of taxation under the provisions of part 1. *Tyler v. United States*, *supra*; *Chase National Bank v. United States*, *supra*; *Saltonstall v. Saltonstall*, *supra*; cf. *Bullen v. Wisconsin*, 240 U. S. 625, 36 S. Ct. 473, 60 L. Ed. 830. There is little likelihood that the lawmakers meant to narrow the concept, and to revert to a construction that would exalt the form above the substance, in fixing the scope of a transfer for the purposes of part 2. We do not ignore differences in precision of definition between the one part and the other. They cannot obscure identities more fundamental and important. The tax upon estates, as it stood in 1924, was the outcome of a long process of evolution; it had been refined and perfected by decisions and amendments almost without number. The tax on gifts was something new. Even so, the concept of a transfer, so painfully developed in respect of taxes on estates, was not flung aside and scouted in laying this new burden upon transfers during life. Congress was aware that what was of the essence of a transfer had come to be identified more nearly with a change of economic benefits than with technicalities of title. The word had gained a new color, the result, no doubt in part, of repeated [fol. 25] changes of the statutes, but a new color none the less. . . .

"The respondent finds comfort in the provisions of section 320 (d) of the Revenue Act of 1924 (26 U. S. C. A. section 1094 note), governing taxes on estates. He asks why such a provision should have been placed in part 1 and nothing equivalent inserted in part 2, if powers for purposes of the one tax were to be treated in the same way as powers for the purposes of the other. Section 302 (d) of the act of 1924 is in part a re-enactment of a section of the Revenue Acts of 1918 and 1921, though it has been changed in particulars. 40 Stat. 1097, c. 18, section 402 (c); 42 Stat. 227, c. 136, section 402 (c). Cf. *Reinecke v. Northern*

Trust Co., 278 U. S. 339, 49 S. Ct. 123, 73 L. Ed. 410, 66 A. L. R. 397. It is an outcome of that process of development which has given us a rule for almost every imaginable contingency in the assessment of a tax under the provisions of part 1. No doubt the draftsman of the statute would have done well if he had been equally explicit in the drafting of part 2. This is not to say that meaning has been lost because extraordinary foresight would have served to make it clearer. Here as so often there is a choice between uncertainties. We must be content to choose the lesser. To lay the tax at once, while the deed is subject to the power, is to lay it on a gift that may never become consummate in any real or beneficial sense. To lay it later on is to unite benefit with burden. We think the voice of Congress has ordained that this be done."

The conclusion reached in this case that deeds of trust reserving a power of revocation effected a taxable transfer by gift when the settlor cancelled such power would undoubtedly be controlling in the instant case if it were not for the fact that on November 26, 1919, when Sanford relinquished his right to terminate the trusts previously created by him he had not, in the same instrument, reserved to himself the right to modify said trusts.

Certain language used by the Supreme Court in the case of the Chase National Bank v. United States (278 U. S. 327), which dealt with the constitutionality of the estate tax provisions of the Revenue Act of 1921, is deemed to be pertinent to the question here in issue. In that case the court said:

"But we think that the rule applied in *Saltonstall v. Saltonstall* to a succession tax is equally applicable to a transfer tax where, as here, the power of disposition is reserved exclusively to the transferor for his own benefit. Such an outstanding power residing exclusively in a donor to recall a gift after it is made is a limitation on the gift which makes it incomplete as to the donor as well as to the donee, and we think that the termination of such power at death may also be the appropriate subject of a tax upon transfers." (Italics added.)

The case of *Porter v. Commissioner* also has some features in common with those in the instant case. In that

case one Porter created a trust fund, consisting of bonds, for the benefit of certain persons and divested himself of all interest in the bonds but reserved to himself the power at any time to alter or modify any or all of the trusts in any manner, expressly excepting, however, any change in favor of himself or his estate. The question in issue was whether the bonds in the said trust formed a portion of his net estate at the time of his death. The Circuit Court of Appeals for the Second Circuit held that the bonds were [fol. 27] subject to the estate tax (60 Fed. (2d) 673) and in the course of its opinion laid down the following rule, viz.

“A gift is a bilateral transaction and demands a donee as well as a donor; it is incomplete though the donor has parted with his interest, if the donee remains indeterminate, and the beneficiaries are determined only when the power to change them ends.”

The case was taken to the Supreme Court, which affirmed the judgment of the lower court, and in the course of its decision used the following language (288 U. S. 436), viz:

“The net estate upon the transfer of which the tax is imposed is not limited to property that passes from decedent at death. Subdivision (d) requires to be included in the calculation all property previously transferred by decedent, the enjoyment of which remains at the time of his death subject to any change by the exertion of a power by himself alone or in conjunction with another. Petitioner argues that, as decedent was without power to revoke the transfers or to alter or modify the trusts in favor of himself or his estate, the property is not covered by subdivision (d). . . . We need not consider whether every change, however slight or trivial, would be within the meaning of the clause. Here the donor retained until his death power enough to enable him to make a complete revision of all that he had done in respect of the creation of the trusts even to the extent of taking the property from the trustees and beneficiaries named and transferring it absolutely or in trust for the benefit of others. So far as concerns the tax here involved, there is no difference in principle between a transfer subject to such changes and one that is revocable. The transfers under consideration are undoubtedly covered by subdivision (d).”

Later in the decision, the court, in referring to contentions made in behalf of the estate, said:

[fol. 28] "They treat as without significance the power the donor reserved unto himself alone and ground all their arguments upon the fact that deceased, prior to such enactment, completely divested himself of title without power of revocation. It is true that the power reserved was not absolute as in the transfer considered in *Burnet v. Guggenheim*, supra, in which this court, in the absence of any provision corresponding to subdivision (d), held that the donor's termination of the power amounted to a transfer by gift within the meaning of section 319 of the Revenue Act of 1924, 43 Stat. 313 (26 U. S. C. A. section 1131 note). But the reservation here may not be ignored for while subject to the specified limitation, it made the settlor dominant in respect of other dispositions of both corpus and income. His death terminated that control, ended the possibility of any change by him, and was, in respect of title to the property in question, the source of valuable assurance passing from the dead to the living. * * *

Representatives of the Sanford Estate contend that the decision in the *Guggenheim* case is controlling in the instant case and that as Sanford on November 26, 1919, relinquished his right to terminate the trusts, thereby parting with his beneficial interest in the property, and that as such action was taken before the Revenue Act of 1924 became effective, no gift tax may properly be collected in the instant case. They endeavor to distinguish the *Porter* decision by the contention that section 302 (d) of that act, forming the basis of the court's conclusion, relates to the estate tax alone and that, therefore, the reasoning used in that case may not properly be applied to the instant case in which liability for the gift tax is in question.

From a consideration of those authorities, it might well be argued, on the one hand, that even though the decedent did on November 26, 1919, relinquish his right to terminate the trusts the fact that he still reserved the right to modify [fol. 29] them left the gifts conditional and inchoate. He still had the right to make a complete revision of all he had done in respect of the creation of the trusts. Having this power and applying the principle enunciated by the courts in passing upon the cases cited that a gift is incom-

plete so long as the donees remain indeterminate, it does not seem difficult to conclude that the transfers in question did not become effective until August 21, 1924, when, for the first time, the said Sanford finally relinquished his right to modify the trusts.

On the other hand, in the Guggenheim case, *supra*, the Supreme Court held, in unqualified terms, that a taxable transfer of property by gift occurs when the settlor of a trust who had reserved a power of revocation cancels such power. This same view is embodied in section 501 (c) of the Revenue Act of 1932, reading as follows:

“ * * * The tax shall not apply to a transfer of property in trust where the power to revest in the donor title to such property is vested in the donor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such property or the income therefrom, but the relinquishment or termination of such power (other than by the donor's death) shall be considered to be a transfer by the donor by gift of the property subject to such power, and any payment of the income therefrom to a beneficiary other than the donor shall be considered to be a transfer by the donor of such income by gift.”

In this connection, article 1 of Gift Tax Regulations 67, under the Revenue Act of 1924, provides as follows:

“The creation of a trust, where the grantor retains the power to revest in himself title to the corpus of the trust, does not constitute a gift subject to tax, but the annual income [fol. 30] of the trust which is paid over to the beneficiaries shall be treated as a taxable gift for the year in which so paid. Where the power retained by the grantor to revest in himself title to the corpus is not exercised a taxable transfer will be treated as taking place in the year in which such power is terminated.”

This same view is embodied in article 3 of Gift Tax Regulations 79, under the Revenue Act of 1932, reading in part as follows:

“ * * * The relinquishment or termination, without an adequate and full consideration in money or money's worth, of the power to revest in the donor title to property transferred in trust, is a gift of such property at the time of the

relinquishment or termination of the power, except where the power is terminated by the donor's death. * * *

Other arguments, pro and con, have been advanced in respect of the question in issue but upon a careful consideration of all of them this office is convinced that the Department must adhere to the position that in all such cases the relinquishment or cancellation by the settlor of his right to revest title to the trust property in himself constitutes the gift of the property for gift tax purposes. If the consummation of the gift by vesting title to the property in the donee were to be adopted as the criterion of taxability any such rule would not only be in conflict with the court decisions and regulations cited but, it seems certain, would also lead to many difficulties of an administrative character and otherwise. So far as Sanford was concerned the gift was complete on the date when he relinquished the right to terminate the trusts.

For the reasons indicated it is the opinion of this office that the gift in the instant case became effective on November 26, 1919, when the said Sanford relinquished his right to terminate the trusts in question and that as this transaction [fol. 31] action occurred before the gift tax law became effective it is not subject to said tax.

A conference in the case was held in this office on March 27, 1935.

The file of papers belonging to your Unit is herewith returned.

R. H. J., A. H. K. (Signed) Robert H. Jackson, Assistant General Counsel for the Bureau of Internal Revenue.

Enclosure: Papers in Case.

EXHIBIT "C" TO SUPPLEMENTAL STIPULATION (No. 1)

GC:I:MAW.

A-282188.

Feb. 21, 1935.

In re Charles Henry Sanford Estate, Freehold, N. J. G. C. M.
14497

Memorandum for Under Secretary Coolidge

Reference is made to your letter of February 12, 1935, in which you request to be furnished with a memorandum in the matter of a gift tax claimed by the Treasury against a

certain trust created by Mr. Charles H. Sanford, deceased, in which matter the British Embassy is interested.

Section 319 of the Revenue Act of 1924 imposed a tax—

“ . . . upon the transfer by . . . gift . . . of any property . . . , whether made directly or indirectly, . . . ”

On December 24, 1913, Charles Henry Sanford created certain trusts, reserving to himself the right to terminate or [fol. 32] modify any or all of said trusts. On November 26, 1919, he relinquished the right to terminate said trusts but reserved to himself the right to modify them, specifying, however, that such right of modification should not be so construed as to include any right or privilege to withdraw principal or interest from any trust. On August 21, 1924, the said Sanford renounced all right to modify the said trusts.

The question to be decided is whether, under those conditions, there was a taxable transfer of property by gift, either directly or indirectly, and, if so, when that transfer was made.

No law imposing a gift tax was in force on December 24, 1913, when the trusts were created, nor on November 26, 1919, when the said Sanford relinquished his right to terminate the said trusts. The Revenue Act of 1924 imposing the gift tax was in force on August 21, 1924, when Sanford renounced all rights to modify the said trusts. Consequently, the only question to be decided is whether the act taken by him on August 21, 1924, operated as a transfer of property by gift.

It is well settled that the mere creation of a revocable trust does not operate as a transfer of property. The settlor of such a trust retains complete control over the property; the income from the property is taxable to him (*Corliss v. Bowers*, 281 U. S. 376) and on the settlor's death the property is taxable as a part of his estate (*Reinecke v. Northern Trust Co.*, 278 U. S. 339).

In the leading case of *Burnet v. Guggenheim* (288 U. S. 280), the Supreme Court considered the question whether deeds of trust made in 1917, with a reservation to the grantor of a power of revocation, became taxable as gifts under the Revenue Act of 1924 when in 1925 there was a change in the

[fol. 33] deeds by the cancellation of the power to revoke. In its opinion the court used the following language, viz:

“ * * * Congress did not mean that the tax should be paid twice, or partly at one time and partly at another. If a revocable deed of trust is a present transfer by gift, there is not another transfer when the power is extinguished. If there is not a present transfer upon the delivery of the revocable deed, then there is such a transfer upon the extinguishment of the power. There must be a choice, and a consistent choice, between the one date and the other. * * *

The statute is not aimed at every transfer of the legal title without consideration. Such a transfer there would be if the trustees were to hold for the use of the grantor. It is aimed at transfers of the title that have the quality of a gift, and a gift is not consummate until put beyond recall.

“ * * * The tax upon gifts is closely related both in structure and in purpose to the tax upon those transfers that take effect at death. What is paid upon the one is in certain circumstances a credit to be applied in reduction of what will be due upon the other, 43 Stat. 315, section 322, 26 U. S. C. section 1134 (26 U. S. C. A. section 1134 and note). The gift tax is part 2 of title 3 of the Revenue Act of 1924 (see 26 U. S. C. A. section 1131 note et seq.); the estate tax is part 1 of the same title (see 26 U. S. C. A. section 1091 et seq.) The two statutes are plainly in pari materia. There has been a steady widening of the concept of a transfer for the purpose of taxation under the provisions of part 1. *Tyler v. United States*, supra; *Chase National Bank v. United States*, supra; *Saltonstall v. Saltonstall*, supra; cf. *Bullen v. Wisconsin*, 240 U. S. 625, 36 S. Ct. 473, 60 L. Ed. 830. There is little likelihood that the lawmakers meant to narrow the concept, and to revert to a construction that would exalt the form above the substance, in fixing the scope of a transfer for the purposes of part 2. We do not ignore differences in [fol. 34] precision, of definition between the one part and the other. They cannot obscure identities more fundamental and important. The tax upon estates, as it stood in 1924, was the outcome of a long process of evolution; it had been refined and perfected by decisions and amendments almost without number. The tax on gifts was something new. Even so, the concept of a transfer, so painfully developed in re-

spect of taxes on estates, was not flung aside and scouted in laying this new burden upon transfers during life. Congress was aware that what was of the essence of a transfer had come to be identified more nearly with a change of economic benefits than with technicalities of title. The word had gained a new color, the result, no doubt in part, of repeated changes of the statutes, but a new color none the less. . . .

"The respondent finds comfort in the provisions of section 302 (d) of the Revenue Act of 1924 (26 U. S. C. A. section 1094 note), governing taxes on estates. He asks why such a provision should have been placed in part 1 and nothing equivalent inserted in part 2, if powers for purposes of the one tax were to be treated in the same way as powers for the purposes of the other. Section 302 (d) of the act of 1924 is in part a re-enactment of a section of the Revenue Acts of 1918 and 1921, though it has been changed in particulars. 40 Stat. 1097, c. 18, section 402 (c); 42 Stat. 227, c. 136, section 402 (c). Cf. *Reinecke v. Northern Trust Co.*, 278 U. S. 339, 49 S. Ct. 123, 73 L. Ed. 410, 66 A. L. R. 397. It is an outcome of that process of development which has given us a rule for almost every imaginable contingency in the assessment of a tax under the provisions of part 1. No doubt the draftsman of the statute would have done well if he had been equally explicit in the drafting of part 2. This is not to say that meaning has been lost because extraordinary foresight would have served to make it clearer. Here as so often there is a choice between uncertainties. We must be content to choose the lesser. To lay the tax at once, while [fol. 35] the deed is subject to the power, is to lay it on a gift that may never become consummate in any real or beneficial sense. To lay it later on is to unite benefit with burden. We think the voice of Congress has ordained that this be done."

The conclusion reached in that case that deeds of trust reserving a power of revocation effected a taxable transfer by gift when the settlor cancelled such power would undoubtedly be controlling in the instant case if it were not for the fact that on November 26, 1919, when Sanford relinquished his right to terminate the trusts previously created by him he had not, in the same instrument, reserved to himself the right to modify said trusts.

Certain language used by the Supreme Court in the case of the Chase National Bank v. United States (278 U. S. 327),

which dealt with the constitutionality of the estate tax provisions of the Revenue Act of 1921, is deemed to be pertinent to the question here in issue. In that case the court said:

"But we think that the rule applied in *Saltonstall v. Saltonstall* to a succession tax is equally applicable to a transfer tax where, as here, the power of disposition is reserved exclusively to the transferor for his own benefit. Such an outstanding power residing exclusively in a donor to recall a gift after it is made in a limitation on the gift which *makes it incomplete as to the donor as well as to the donee*, and we think that the termination of such power at death may also be the appropriate subject of a tax upon transfers." (Italics added.)

The case of *Porter v. Commissioner* also has some features in common with those in the instant case. In that case one Porter created a trust fund, consisting of bonds, for the benefit of certain persons and divested himself of all interest in the bonds but reserved to himself the power at any [fol. 36] time to alter or modify any or all of the trusts in any manner, expressly excepting, however, any change in favor of himself or his estate. The question in issue was whether the bonds in the said trust formed a portion of his net estate at the time of his death. The Circuit Court of Appeals for the Second Circuit held that the bonds were subject to the estate tax (60 Fed. (2d) 673) and in the course of its opinion laid down the following rule, viz:

"A gift is a bilateral transaction and demands a donee as well as a donor; it is incomplete though the donor has parted with his interest, if the donee remains indeterminate, and the beneficiaries are determined only when the power to change them ends."

The case was taken to the Supreme Court, which affirmed the judgment of the lower court, and in the course of its decision used the following language, (288 U. S. 436), viz:

"The net estate upon the transfer of which the tax is imposed is not limited to property that passes from decedent at death. Subdivision (d) requires to be included in the calculation all property previously transferred by decedent, the enjoyment of which remains at the time of his death subject to any change by the exertion of a power by himself

alone or in conjunction with another. Petitioner argues that, as decedent was without power to revoke the transfers or to alter or modify the trusts in favor of himself or his estate, the property is not covered by subdivision (d). * * * We need not consider whether every change, however slight or trivial, would be within the meaning of the clause. Here the donor retained until his death power enough to enable him to make a complete revision of all that he had done in respect of the creation of the trusts even to the extent of taking the property from the trustees and beneficiaries [fol. 37] named and transferring it absolutely or in trust for the benefit of others. So far as concerns the tax here involved, there is no difference in principle between a transfer subject to such changes and one that is revocable. The transfers under consideration are undoubtedly covered by subdivision (d)."

Later in the decision, the court, in referring to contentions made in behalf of the estate, said:

"They treat as without significance the power the donor reserved unto himself alone and ground all their arguments upon the fact that deceased, prior to such enactment, completely divested himself of title without power of revocation. It is true that the power reserved was not absolute as in the transfer considered in *Burnet v. Guggenheim*, supra, in which this court, in the absence of any provision corresponding to subdivision (d), held that the donor's termination of the power amounted to a transfer by gift within the meaning of section 319 of the Revenue Act of 1924, 43 Stat. 313 (26 U. C. S. A. Section 1131 note). But the reservation here may not be ignored for, while subject to the specified limitation, it made the settlor dominant in respect of other dispositions of both corpus and income. His death terminated that control, ended the possibility of any change by him, and was, in respect of title to the property in question, the source of valuable assurance passing from the dead to the living. * * *

Representatives of the Sanford Estate contend that the decision in the Guggenheim case is controlling in the instant case and that as Sanford on November 26, 1919, relinquished his right to terminate the trusts, thereby parting with his beneficial interest in the property, and that as such action

was taken before the Revenue Act of 1924 became effective, no gift tax may properly be collected in the instant case. They endeavor to distinguish the Porter decision by the con-[fol. 38] tention that section 302(d) of that Act, forming the basis of the court's conclusion, relates to the estate tax alone and that, therefore, the reasoning used in that case may not properly be applied to the instant case in which liability for the gift tax is in question.

This office cannot agree in these contentions. Prior to November 26, 1919, the gifts were conditional and inchoate. They were not in complete and final operation. Sanford, at any time prior to that date, could have revested complete title to the property in himself. His relinquishment of that power on November 26, 1919, divested him of that right but he still had the broad power to modify the trusts. Under this power there is no doubt whatever that he could have changed the beneficiaries, alter the sums they were to receive, and, in short, he could undo all he had done when he created the trusts, save alone, the revesting of property in himself. The difference in the wording of the estate tax and gift tax provisions of the law has no effect whatever upon this obvious rule. Having this power to modify, the rights of the beneficiaries were not vested and certain, but were subject to change. The gifts of the property were still held in abeyance. There was still uncertainty as to who were to be the final donees of the property. As was said by the Supreme Court in the Corliss case, supra—

“ . . . taxation is not so much concerned with the refinements of title as it is with actual command over the property taxed.”

Sanford certainly had command over the final disposition of the property in the trusts until August 21, 1924. No final gifts of the property had been made prior to that date. On that date, when, for the first time, he completely renounced all right to modify the trusts, did the donees have full title and interest in the gifts. Before that date the gifts were [fol. 39] qualified and uncertain. Not until that date did they have unqualified and vested ownership in the property. The gifts were not fully consummated until then.

For the reasons stated, it is the opinion of this office that the gifts of the property in question were not effective and absolute until August 21, 1924, and that, therefore, those

gifts were subject to the gift tax imposed by section 319 of the Revenue Act of 1924.

It is deemed proper to add that attorneys for the estate have requested that a conference in the case be held in this office and that their request has been granted, with the understanding that the conference will be held upon return to this country of the administrator of the estate. The conclusion reached hereinbefore is based upon such information, as is now in the possession of this office and is deemed to be well supported by the court decisions cited. However, it is of course possible that the attorneys and administrator may produce evidence warranting a different conclusion. So the conclusion reached should be considered as subject to change if, as, and when, additional evidence is produced which would justify this office in reaching a different conclusion favorable to the estate.

(Signed) Robert H. Jackson, R. H. J., A. H. K., Assistant General Counsel for the Bureau of Internal Revenue.

[fol. 40] EXHIBIT "D" TO SUPPLEMENTAL STIPULATION
(No. 1)

GC:AHK.
A-282188.

April 8, 1935.

Memorandum for Mr. Oliphant

In re Charles Henry Sanford Estate, Freehold, New Jersey

Mr. Coolidge wishes to see a copy of our final ruling in this case because of his conversations relative to it with the British Ambassador. Two copies are attached hereto, one for your own files and one for transmission to Mr. Coolidge if you so desire.

I have given the case careful personal attention and sat in on the conference with the attorneys for the trustee and the estate. I am now convinced that the position tentatively taken in the prior opinion should not be maintained, and that its possible prejudicial results upon the revenues both from gift tax and income tax far outweigh the considerable revenue we would gain from asserting a gift tax liability against this trust. Even though we won in the courts,

which seems unlikely under the present statutes and regulations, our victory would be a Pyrrhic one.

(Sgd.) Arthur H. Kent, Assistant to Assistant General Counsel for the Bureau of Internal Revenue.

Enc. 2cc opinion.

[fol. 41] EXHIBIT "E" TO SUPPLEMENTAL STIPULATION
(No. 1)

Treasury Department, Washington

Office of Commissioner of Internal Revenue

Address Reply to Commissioner of Internal Revenue and refer to MT-ET-GT-Cl-25-1st New Jersey.

Donor—Charles Henry Sanford.

Apr. 19, 1935.

Joseph McDermott, Administrator, Freehold, New Jersey

SIR:

The gift tax return filed on Form 706-A for the calendar year 1924 in behalf of Charles Henry Sanford, deceased December 22, 1928, has been examined in connection with the information of record.

The examination discloses no gift tax liability. Accordingly, the case has been marked closed in so far as the Federal gift tax is concerned.

Respectfully, D. S. Bliss, Deputy Commissioner.

[fol. 42] EXHIBIT "F" TO SUPPLEMENTAL STIPULATION
(No. 1)

GC:I:REC.
A-282188.

Oct. 14, 1937.

G. C. M. 19260

In re Charles Henry Sanford Estate, Freehold, New Jersey

Deputy Commissioner Bliss:

In your memorandum dated September 30, 1937 (MT-DC-ET-GT-25-24-1st New Jersey), relating to the above-named

case, attention is invited to the opinion rendered in the case of *Hesslein v. Hoey* (C. C. A. 2nd — 1937) — Fed. (2d) —, in order that this office may advise you “as to whether [in view of that opinion] the Sanford [i. e., the Charles Henry Sanford] gift tax case should be reopened by the issuance of a ninety-day letter.”

The facts in the Sanford case are set forth in G. C. M. 14774 substantially as follows: Charles Henry Sanford who died December 22, 1928, created certain trusts in December, 1913, reserving to himself the right to terminate or modify any or all of the trusts. On November 26, 1919, he relinquished the right to terminate but reserved to himself the right to modify all of them, provided, however, that such right of modification should not in any way be construed to include any right in Mr. Sanford to withdraw principal or income from any trust. On August 21, 1924, or after the enactment of the Revenue Act of 1924, which for the first time imposed a tax upon transfers by gift, the settlor renounced all right to modify the trusts.

The question involved in G. C. M. 14774, supra “is whether the renouncement of the right of Sanford to modify the trust . . . operated as a transfer of property by gift and was subject to tax”. In that G. C. M. this question is disposed of as follows:

“For the reasons indicated it is the opinion of this office that the gift in the instant case became effective on November [fol. 43] 26, 1919, when the said Sanford relinquished his right to terminate the trusts in question, and that as this transaction occurred before the gift tax law became effective it is not subject to the tax.”

Thus, G. C. M. 14774 holds in substance that the right to modify which Mr. Sanford renounced in August, 1924, did not cause the gift to be incomplete, and that, accordingly, the renunciation of such right could not and did not bring the gift within the ambit of the gift tax law. G. C. M. 14774 gives full effect to the regulations.

In the case of *Hesslein v. Hoey*, supra, it appears from the opinion rendered by the court that, in December, 1934, Mr. Hesslein, the plaintiff, voluntarily conveyed certain property to trustees to pay the income to named beneficiaries during the life of the trust, and upon its termination at the

death of the survivor of the settlor and his wife to distribute the principal among the persons named, or to those the settlor might appoint by will, if he should survive his wife. By the seventh article of the trust agreement the settlor reserved to himself the power to change the trustees, and by the tenth article the power to change the beneficiaries of income and principal and to alter the trust in any manner not beneficial to the settlor or his estate.

The question presented in the Hesslein case, as shown by the opinion, "is whether the creation of a trust for donee beneficiaries, in which the settlor reserves the power to alter the trust in any manner not beneficial to himself or his estate, is a transfer subject to the Federal gift tax under the Revenue Act of 1932, as amended".

In disposing of this question the court said, among other things:

"In our opinion, for the reasons already stated, section 501 was not intended to impose a gift tax with respect to the [fol. 44] corpus of such a trust as the plaintiff created in 1934. If during his life he shall terminate his reserved powers, gift tax will then accrue. If they are terminated by his death, the property will be subject to an estate tax."

Thus, the court substantially holds in its opinion that the power which Mr. Hesslein has reserved to alter the trust renders the gift incomplete.

Since the opinion in the Hesslein case is contrary to article 3 of Regulations 79 (1936 edition), this office recommended in August, 1937, that a petition for certiorari be filed. However, the Department of Justice has not yet filed such a petition nor has it advised this office as to what action it will take in that regard. The time for filing will expire October 26, 1937.

Inasmuch as there is no certainty that a petition for certiorari will be filed in the Hesslein case, or if filed that it will be granted, or if filed and granted that the opinion of the lower court will be reversed, you are advised that in the opinion of this office a ninety-day letter should be issued relative to the gift tax imposed in respect of the transfer made by Mr. Sanford. G. C. M. 14774 is hereby revoked.

It appears from your memorandum that the time for issuing such a letter will expire October 18, 1937.

J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue.

Oct. 14, 1937.

Approved: (Signed) Chas. T. Russell, Acting Commissioner.

Approved: (Sgnd.) Roswell Magill, Undersecretary.

[fol. 45] BEFORE UNITED STATES BOARD OF TAX APPEALS

SUPPLEMENTAL STIPULATION No. 2—Filed February 15, 1938

It is stipulated by and between counsel for the respective parties that if T. J. Coolidge, who was Under Secretary of the Treasury from May 2, 1934, to February 15, 1936, were called as a witness by the petitioner he would testify as more particularly set forth in his letter addressed to John P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Washington, D. C., dated February 10, 1938, attached hereto as Exhibit "G."

William A. Carr, Montgomery B. Angell, Attorneys for Petitioner. J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Attorney for Respondent.

[fol. 46] EXHIBIT "G" TO SUPPLEMENTAL STIPULATION (No. 2)

(Copy)

Sixty Seven Milk Street, Boston, Massachusetts

February Ten, 1938.

Mr. John P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Washington, D. C.

DEAR MR. WENCHEL:

I understand that a question has arisen as to whether, while I was Under Secretary of the Treasury in 1935, I approved a certain gift tax ruling made by Assistant General

Counsel of the Bureau of Internal Revenue involving the Estate of Charles Henry Sanford.

I recall the matter very definitely, for I had several talks with the British Ambassador, who was interested on account of the interest which certain of the British beneficiaries under the Sanford Trust had in the case.

I remember discussing the matter at some length with counsel of the Treasury. I assured myself that the ruling concerned was made with care and careful consideration of the law and while I did not undertake to pass personally upon the legal merits of the case the ruling seemed just and received my approval.

Yours very truly, (S.) T. J. Coolidge.

[fol. 47] BEFORE UNITED STATES BOARD OF TAX APPEALS

Docket No. 91847

Estate of CHARLES HENRY SANFORD, Dec'd; JOSEPH McDERMOTT, Administrator, C. T. A., Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE, Respondent

Montgomery B. Angell, Esq., and Otis T. Bradley, Esq., for the petitioner.

Lewis S. Pendleton, Esq., for the respondent.

MEMORANDUM OPINION—Rendered April 13, 1938

MURDOCK:

The Commissioner determined a deficiency of \$1,000,745 in federal gift tax due from the deceased donor, Charles Henry Sanford, for the calendar year 1924. The petitioner contends that no taxable gift was made in 1924 and, on the contrary, the donor had made a transfer of the property in question by way of a gift prior to 1924. The facts have been introduced into the record by stipulations and the Board adopts those stipulations as the facts for all purposes of this proceeding.

Charles Henry Sanford executed a trust indenture on December 24, 1913, whereby he created certain trusts and named the Guaranty Trust Company of New York as trustee. Four of the trusts thus created are involved in the

present proceeding. Sanford retained in that instrument [fol. 48] the right to terminate or modify any or all of the trusts. He, thereafter from time to time up to August 21, 1924, made certain changes in the trusts, and on two occasions changed his reserved power to terminate or modify. The first of these latter changes was made on November 26, 1919, when he surrendered the power to terminate the trusts. He retained thereafter the right to modify the trusts "but this right of modification, however, shall in no way be deemed or construed to include any right or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument." The final change was made on August 21, 1924 when he formally renounced all rights to further modify the terms of the trusts, and surrendered all such rights reserved by him in the original instrument or in supplements thereto.

Sanford did not file a gift tax return for the year 1924. He died in 1928 while residing in New Jersey. His administrator, after a revenue agent had raised the question of whether the surrender of the power to modify in 1924 subjected the transfer to a gift tax at that time, filed a gift tax return for the year 1924 with the Collector of Internal Revenue for the District of New Jersey. The property held by the trustee on August 21, 1924 was listed in the return, but the administrator, on behalf of the estate, on that return disclaimed any liability for gift tax. Conferences were thereafter held between representatives of the taxpayer and representatives of the government. The Bureau ruled that the transfer became effective on November 26, 1919, when Sanford relinquished his right to terminate the trust, and, since the trust was made before the gift tax law became effective, it was not subject to the latter tax. This was approved by the Under-Secretary of the Treasury, and the petitioner was notified in April, 1935, that the gift tax return [fol. 49] for 1924 disclosed no tax liability and the case had been marked closed. However, the case was reopened in the Bureau after the decision of the Circuit Court of Appeals for the Second Circuit in the case of *Hesslein v. Hoey*, 91 Fed. (2d) 954. The Commissioner then mailed the notice of deficiency in this case.

The petitioner contends that the gift tax is imposed at the time that the transferor relinquishes all power to revest in himself title to the property transferred. He points out that the Bureau has so interpreted the act for

about thirteen years and he argues that it should be so construed. He says that the decision in *Hesslein v. Hoey* is erroneous and the denial of certiorari is not an indication of the view of the Supreme Court on the question. The government prior to the decision in *Hesslein v. Hoey* believed that it did not have to wait until a donor had relinquished all power to modify or change the terms of a trust but could collect the tax as soon as the donor had relinquished all right to revest title to the transferred property in himself. But after it argued that point unsuccessfully in *Hesslein v. Hoey*, it took the opposite view in the present case. Nevertheless it maintained its original position in another proceeding before the Board. *Harriet W. Rosenau*, 37 B. T. A. (3/13/38). The Board there considered the identical question which is involved in the present proceeding. The grantor there created an irrevocable trust in 1934 and provided that the corpus and any accumulated income should be distributed at her death as she should "by written instrument in the nature of a testamentary document direct, limit and appoint, without making such corpus or undistributed accumulated income therefrom part of the Settlor's estate." If she failed to exercise the reserved power just mentioned, the estate was to be divided, after the death of her son, among her issue. The [fol. 50] Board there considered all of the arguments which the petitioner has presented in this case and decided, with only two Members dissenting, to follow the decision of *Hesslein v. Hoey*, and held that there was not a transfer subject to gift tax so long as the donor reserved the power to change the beneficiaries. The present case is not distinguishable in principle from the *Rosenau* and *Hoey* cases. In each of these cases the donor had transferred his property and had retained no power to revest title to the property in himself, yet it was held that the gift was incomplete and not subject to tax at that time. Sanford had transferred his property and in 1919, relinquished all power to revest title to any of that property in himself, but he retained some control over the property, through his power to modify, until he relinquished that power in 1924. Therefore, following the *Rosenau* and *Hoey* cases, his gift was not complete until 1924 and is subject to the gift tax in that year.

Decision will be entered for the respondent.

BEFORE UNITED STATES BOARD OF TAX APPEALS

DECISION—Entered April 14, 1938

Pursuant to the determination of the Board, as set forth in its memorandum opinion entered April 13, 1938, it is,

Ordered and Decided: That there is a deficiency in gift tax for the calendar year 1924 in the amount of \$1,000,745.
(Sgd.) J. E. Murdock, Member.

[fol. 51] IN UNITED STATES CIRCUIT COURT OF APPEALS FOR
THE THIRD CIRCUIT

[Title omitted]

PETITION FOR REVIEW—Filed April 28, 1938

To the Honorable Judges of the United States Circuit
Court of Appeals for the Third Circuit:

Joseph McDermott, as Administrator cum testamento annexo of the estate of Charles Henry Sanford, deceased, being aggrieved by the decision of the United States Board of Tax Appeals entered on April 14, 1938, wherein the Board ordered and decided that there is a deficiency in federal gift tax for the calendar year 1924 due from the petitioner as administrator c. t. a. of the aforesaid estate in the amount of \$1,000,745, by his attorney, Montgomery B. Angell, respectfully shows unto this Honorable Court as follows:

I. Designation of Court of Review

The petitioner is a citizen of the United States and a resident of Freehold, New Jersey. He is the duly qualified and acting administrator c. t. a. of the estate of Charles Henry Sanford, deceased. The said Charles Henry Sanford died a resident of Monmouth County, New Jersey, on [fol. 52] December 22, 1928. After his death, the petitioner, as administrator of the said estate, made a federal gift tax return for the calendar year 1924 and duly filed it in the office of the Collector of Internal Revenue for the District of New Jersey located in Newark, New Jersey, and within the jurisdiction of the Circuit Court of Appeals for the Third Judicial Circuit.

II. Statement of the Nature of the Controversy

The taxes in controversy are federal gift taxes on account of an alleged gift made by the decedent in 1924. They amount to \$1,000,745, all of which are in dispute.

The Commissioner of Internal Revenue notified the petitioner of the alleged deficiency in gift taxes for 1924 by a notice of deficiency dated October 16, 1937, issued pursuant to the provisions of Section 318 (a) of the Revenue Act of 1926, and Section 308 (a) of the Revenue Act of 1926, as amended by Section 501 of the Revenue Act of 1934. Within the period allowed by law, the petitioner filed his appeal to the United States Board of Tax Appeals. On April 13, 1938, the Board promulgated its opinion, and on April 14, 1938, entered its final order and decision in the said appeal, wherein and whereby the Board ordered and decided that there is a deficiency in gift tax for the calendar year 1924 in the amount of \$1,000,745.

The case was presented to the Board of Tax Appeals upon stipulations of fact which raised a single issue, namely, the propriety of the Commissioner's determination that the relinquishment by Charles Henry Sanford, the deceased, on August 21, 1924, of a bare power to modify certain trusts, as distinguished from the power to revest in himself the income or corpus of the trust which was surrendered in 1919, [fol. 53] constituted a taxable gift in 1924 within the meaning of Section 319 of the Revenue Act of 1924. The facts with respect to this question are as follows:

On December 24, 1913, Charles Henry Sanford executed a trust indenture by which he created certain trusts of which the Guaranty Trust Company of New York was designated trustee. Four of these trusts are here involved. The indenture of December 24, 1913, after providing for the disposition of the income and principal of the property transferred in trust, provided as follows:

"The party of the first part [Charles Henry Sanford] however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part [Guaranty Trust Company of New York]."

Pursuant to the power reserved under the foregoing provision, Charles Henry Sanford from time to time made certain amendments to the trusts, the last of which was made on August 21, 1924. Two of these amendments involved changes in the aforesaid reserved power.

By a supplemental indenture dated November 26, 1919, Charles Henry Sanford surrendered the power to terminate the trusts here involved or to revest in himself all or any part of the property held in such trusts, and retained only the power to modify such trusts in other respects. After reciting the above-quoted provision of the instrument of December 24, 1913, and that the settlor desired to modify such provision, the said supplemental indenture contained the following:

[fol. 54] "Now Therefore, the party of the first part does hereby modify the same so that the said clause shall read as follows:

'The party of the first part, however, reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York, and filed with the party of the second part; but this right of modification, however, shall in no way be deemed or construed to include any right or privilege in the party of the first part to withdraw principal or income from any trust created this instrument.'

In all respects, save as modified by this supplemental indenture and the supplemental indentures hereinbefore referred to, the said Indenture of December 24, 1913, is hereby reaffirmed."

The power of modification set forth in the aforesaid supplemental indenture of November 26, 1919, remained unchanged until August 21, 1924. By a supplemental indenture executed on the latter date, Charles Henry Sanford renounced and surrendered all his rights to further modify the terms of the trusts here involved in the following language:

"The party of the first part [Charles Henry Sanford] hereby renounces all rights to further modify the terms of the said trusts or any of them and does hereby surrender all such rights reserved to him by the indenture of Decem-

ber 24th, 1913, and by the various indentures supplemental thereto."

Charles Henry Sanford did not file a gift tax return for the year 1924. He died a resident of New Jersey on December 22, 1928, and thereafter petitioner was appointed administrator c. t. a. of his estate. In the early fall of 1934, [fol. 55] a revenue agent, in an interview with the petitioner, raised the question as to whether the surrender of the power of modification on August 21, 1924, was subject to gift tax. Following this interview petitioner, on August 22, 1934, filed with the Collector of Internal Revenue for the District of New Jersey, in Newark, New Jersey, a gift tax return on behalf of the estate of Charles Henry Sanford for the year 1924, listing the property held by the trustee in the trusts on August 21, 1924, but disclaiming any liability for a gift tax. The aggregate value of such property on that date was \$6,846,225.06 as stipulated for the purposes of this proceeding.

Following the filing of this return, conferences were held in the Bureau of Internal Revenue between representatives of the petition and representatives of the Government with respect to the question of liability for gift tax. Following these conferences the Assistant General Counsel of the Bureau of Internal Revenue ruled that the gift became effective on November 26, 1919, when Sanford relinquished his right to terminate the trusts, and that since the gift was complete before the gift tax law became effective, it was not subject to the tax. This ruling was approved by the Under-Secretary of the Treasury. On April 19, 1935, the petitioner was formally notified by the Commissioner that the gift tax return for the year 1924 disclosed no tax liability and that the case had been marked closed.

On July 26, 1937, the Circuit Court of Appeals for the Second Circuit decided the case of *Hesslein v. Hoey*, 91 F. (2d) 954, the decision being against the Government and in favor of the taxpayer. Following the decision in the *Hesslein* case, the Bureau of Internal Revenue reopened the Sanford Estate case, and by notice of deficiency dated October 16, 1937, notified the petitioner that the relinquishment by Sanford of his power of modification on August 21, 1924, [fol. 56] constituted a taxable gift, and asserted the deficiency of 1,000,745 here in controversy. From this notice

of deficiency the petitioner appealed to the Board of Tax Appeals.

After hearing the appeal, the Board of Tax Appeals sustained the Commissioner's determination as set forth in the notice of deficiency, and held, upon the authority of the cases of *Hesslein v. Hoey*, 91 F. (2d) 954 (C. C. A. 2d) and *Harriet W. Rosenau*, 37 B. T. A. —, decided March 15, 1938, that the relinquishment by Sanford on August 21, 1924, of his power of modification constituted a taxable gift to the extent of the value on that date of the property held in the trusts here involved, despite the fact that on November 26, 1919, Sanford had surrendered any and all power to terminate the trusts or to revest in himself or his estate the income or the corpus of the trusts.

III. Assignments of Error

In making its decision as aforesaid, the Board of Tax Appeals committed the following errors upon which the petitioner relies as the basis of this proceeding:

1. The Board erred in holding that the relinquishment by Sanford on August 21, 1924, of the bare power to modify the trusts here involved constituted a transfer in 1924 of property by gift within the meaning of Section 319 of the Revenue Act of 1924, when on November 26, 1919, Sanford already had surrendered any and all power to revest in himself or his estate the corpus or the income of such trusts.

2. The Board erred in failing to hold that since Sanford on November 26, 1919, had relinquished all power to revest in himself all or any part of the principal or income of the trusts here involved, no taxable transfer or gift occurred [fol. 57] or could have occurred on August 21, 1924, when he relinquished the remaining power to modify the aforesaid trusts.

3. The Board erred in holding that where the settlor of certain trusts surrendered any and all power of revocation many years prior to the enactment of any Federal Gift Tax Act, reserving only the power to modify the terms of the trust, which reserved power did not include the right to revest in himself or his estate any of the income or principal of such trusts, the surrender of the bare right to modify in a subsequent year when a Federal gift tax was in effect

subjected the settlor and his estate to a gift tax measured by the value of the trust property at the time the power of modification was finally surrendered.

4. The Board erred in finding a deficiency in gift tax due from the petitioner for the calendar year 1924 in the amount of \$1,000,745, or in any amount whatsoever.

5. The Board erred in failing to find that there is no deficiency in gift tax due from the petitioner for the calendar year 1924.

Wherefore, your petitioner prays that the decision of the United States Board of Tax Appeals be reviewed by the United States Circuit Court of Appeals for the Third Circuit, that a transcript of the record be prepared in accordance with law and with the rules of the said Court and transmitted to the clerk of said Court for filing, and that appropriate action be taken to the end that the errors complained of may be reviewed and corrected by said Court, and to the entry of such further order or orders as shall by this Court be deemed meet and proper.

(Sgd.) Montgomery B. Angell, Attorney for the
Petitioner, 15 Broad Street, New York, N. Y.

[fol. 58] *Duly sworn to by Montgomery B. Angell. Jurat omitted in printing.*

[fol. 59] BEFORE UNITED STATES BOARD OF TAX APPEALS

NOTICE OF FILING PETITION FOR REVIEW—Filed April 28, 1938

To Commissioner of Internal Revenue, Washington, D. C.,
J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Washington, D. C.:

You are hereby notified that the petitioner, on the twenty-eighth day of April, 1938, filed with the Clerk of the United States Board of Tax Appeals at Washington, D. C.; a petition for review by the United States Circuit Court of Appeals for the Third Circuit to review the decision of the Board of Tax Appeals heretofore rendered in the above-entitled cause. A copy of the petition for review and the

assignments of error as filed is hereto attached and served upon you.

Dated April 28, 1938.

(Sgd.) Montgomery B. Angell, Attorney for the Petitioner, 15 Broad Street, New York, N. Y.

Receipt of the foregoing notice of filing and service of a copy of the petition for review and assignments of error is hereby acknowledged this twenty-eighth day of April, 1938.

J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue.

[fol. 60] BEFORE UNITED STATES BOARD OF TAX APPEALS

[Title omitted]

STATEMENT OF EVIDENCE—Filed April 28, 1938

The above-entitled cause came on for hearing on February 15, 1938, before Honorable J. Edgar Murdock, Member of the United States Board of Tax Appeals at Washington, D. C., pursuant to a notice of hearing theretofore given, and thereupon the following proceedings were had and the parties by their attorneys submitted the following evidence:

Appearances:

Montgomery B. Angell, Otis T. Bradley and William A. Carr, appearing on behalf of the petitioner;

Lewis S. Pendleton (Honorable Herman Oliphant, General Counsel for the Department of the Treasury) appearing on behalf of the Commissioner of Internal Revenue, respondent.

[fol. 61] The opening statement for the petitioner was made by Mr. Angell.

The opening statement for the respondent was made by Mr. Pendleton.

At the hearing, the petitioner offered, and the Board admitted in evidence without objection by the respondent, the following stipulations of fact:

1. Main stipulation entitled "Stipulation of Facts," with Annex A attached thereto.

2. Supplemental Stipulation No. 1, with Exhibits B, C, D, E and F attached thereto.

3. Supplemental Stipulation No. 2, with Exhibit G attached thereto.

In addition, at the hearing the following oral stipulations were made by counsel:

Mr. Pendleton: If your Honor please, there is one other matter I have asked counsel for the petitioner to stipulate, and that is in reference to whether the Bureau included these trusts for estate tax purposes. Mr. Sanford died in 1928, and I have asked the petitioner to stipulate whether this property was included and the tax paid, the additional estate tax paid, on those trusts, which he very kindly consented to do.

Mr. Angell: In addition to the three stipulations already offered and accepted, it is hereby stipulated by and between the parties to this appeal, by their respective attorneys, that in respect of the estate tax of Charles H. Sanford the question of the inclusion of the corpus of the trusts here involved in this estate was raised by the Bureau in auditing the estate tax return. A case was made, and after full consideration, the Bureau of Internal Revenue ruled that the corpus of these trusts was not includable as part of [fol. 62] the gross estate, and the corpus was therefore excluded in closing the estate tax case.

Mr. Pendleton: That is correct.

The Member: When did Mr. Sanford die?

Mr. Angell: In 1928, your Honor.

Mr. Angell: Now, the purpose of this stipulation (i. e., Supplemental Stipulation No. 2), your Honor, was to relieve Mr. Coolidge of the burdensome trip from Boston to Washington. It was the intention of the parties, the Government and myself, that the statements made in that letter, which is attached as Exhibit G, may be accepted in evidence in lieu of Mr. Coolidge's testimony, with the same force and effect. That is the case, is it not, Mr. Pendleton?

Mr. Pendleton: That is correct.

Whereupon both the petitioner and the respondent rested.

Approved and ordered filed this twenty-eighth day of April, 1938.

(Sgd.) J. E. Murdock, Member, United States Board of Tax Appeals.

[fol. 63] IN UNITED STATES CIRCUIT COURT OF APPEALS FOR
THE THIRD CIRCUIT

[Title omitted]

STIPULATION REGARDING STATEMENT OF EVIDENCE

It is Hereby Stipulated by and between the parties hereto, through their respective counsel, that the foregoing statement of evidence, including the stipulations of fact and the exhibits attached thereto filed February 15, 1938 is a statement of all the material evidence adduced at the hearing before the United States Board of Tax Appeals, and the same is approved by the undersigned as attorney for the petitioner and by the undersigned, John P. Wenchel, as attorney for the Commissioner of Internal Revenue, respondent, on review.

Montgomery B. Angell, Attorney for Petitioner on Review. J. P. Wenchel, Chief Counsel for the Bureau of Internal Revenue, Attorney for Respondent on Review.

[fol. 64] BEFORE UNITED STATES BOARD OF TAX APPEALS

PRAECIPE FOR TRANSCRIPT OF RECORD—Filed April 28, 1938

To Clerk of the United States Board of Tax Appeals:

You are hereby requested to prepare, transmit and deliver to the Clerk of the United States Circuit Court of Appeals for the Third Circuit copies duly certified as correct of the following documents and records in the above-entitled cause in connection with the petition for review by the said Circuit Court of Appeals for the Third Circuit heretofore filed by the above-named petitioner:

1. Docket entries of the proceedings before the Board of Tax Appeals.
2. Pleadings before the Board of Tax Appeals as follows:
 - (a) Petition for redetermination;
 - (b) Answer of the respondent.
3. Order of the Board of Tax Appeals amending the caption, entered January 27, 1938.
4. The following stipulations of fact:

(a) Main stipulation entitled "Stipulation of Facts" with Annex A attached thereto;

(b) Supplemental Stipulation No. 1 with Exhibits B, C, D, E and F attached thereto;

(c) Supplemental Stipulation No. 2 with Exhibit G attached thereto;

5. Statement of evidence.

6. Memorandum opinion of the Board of Tax Appeals entered April 13, 1938.

[fol. 65] 7. The decision and order of the Board of Tax Appeals entered April 14, 1938.

8. The petition for review.

9. Notice of filing of the petition for review, with admission of service thereof.

10. This praecipe.

11. Notice of filing of this praecipe, with admission of service thereof.

Dated April 28, 1938.

Montgomery B. Angell, Attorney for the Petitioner,
15 Broad Street, New York, N. Y.

Service of a copy of this praecipe is hereby admitted this twenty-eighth day of April, 1938.

J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue.

[fol. 66] BEFORE UNITED STATES BOARD OF TAX APPEALS

NOTICE OF FILING PRAECIPE—Filed April 28, 1938

To J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue, Washington, D. C.:

Please Take Notice that on the twenty-eighth day of April, 1938, the undersigned filed with the Clerk of the United States Board of Tax Appeals a praecipe designating the portions of the record to be transmitted to the Circuit Court of Appeals for the Third Circuit on the appeal taken in the above-entitled cause, a copy of which praecipe is hereto annexed.

Dated: April 28, 1938.

Montgomery B. Angell, Attorney for the Petitioner,
15 Broad Street, New York, N. Y.

Service and receipt of a copy of the foregoing notice and copy of praecipe annexed is hereby acknowledged this twenty-eighth day of April, 1938.

J. P. Wenchel, Chief Counsel, Bureau of Internal Revenue.

[fols. 67-68] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 69] ANNEX "A" TO STIPULATION OF FACTS

Guaranty Trust Company of New York as Trustee under Indenture of Trust Created by Charles Henry Sanford on December 24, 1913

And Modifications:

1. February 15, 1916.
2. September 6, 1916.
3. August 17, 1917.
4. December 19, 1917.
5. June 28, 1918.
6. August 16, 1918.
7. May 23, 1919.
8. November 26, 1919.
9. March 16, 1920.
10. November 25, 1921.
11. November 20, 1922.
12. December 21, 1923.
13. March 10, 1924.
14. August 21, 1924.

[fol. 70] This indenture, made the 24th day of December, in the year One thousand nine hundred and thirteen, between Charles Henry Sanford, of Freehold, Monmouth County, in the State of New Jersey, party of the first part, and Guaranty Trust Company of New York, party of the second part,

Witnesseth:

That the said party of the first part, for and in consideration of the sum of One Dollar to him in hand paid by the party of the second part and for divers other good causes

and considerations, Has granted, bargained, sold, assigned, transferred and set over and by these presents Does grant, bargain, sell, assign, transfer and set over unto the party of the second part and to its successors and assigns, the property described in a Schedule hereto annexed, marked "Schedule A" and signed by the party of the first part, together with all and singular the estate, interest, property, claim and demand of the party of the first part thereunto belonging or in any wise appertaining.

To Have and to Hold the same to the said party of the second part, and its successors, subject to the payment with interest to the party of the second part of the present indebtedness of the party of the first part to it, to be paid in the manner hereinafter stated, and in that manner only, upon the following trusts, that is to say:

To collect and receive the interest, income and profits thereof and out of the said income to pay in equal quarter yearly installments the following annuities to the following named annuitants during their respective natural lives except as hereinafter provided, namely:

To Emily Austin Sanford, the wife of the said Charles Henry Sanford, an annuity of Fifty thousand Dollars (\$50,000) to be paid in full in priority to all other payments of income herein directed, but not to commence until after the said debt of the party of the first part to the party of the second part is paid.

To William A. Sanford, a brother of the said Charles Henry Sanford, and to Mary Elizabeth Sanford, his wife, jointly, and to the survivor of them, an annuity of Three thousand Dollars (\$3,000) for their joint benefit during their [fol. 71] joint lives, and to their daughter, Delia Sanford, an annuity of Five hundred Dollars (\$500), and from and after the death of the survivor of said William A. Sanford and Mary Elizabeth Sanford, the said annuity to their said daughter, Delia Sanford, to be increased to One thousand Dollars (\$1,000).

To Sarah Elizabeth Wyckoff, a sister of the said Charles Henry Sanford, an annuity of Three thousand Dollars (\$3,000) and from and after the death of said Sarah Elizabeth Wyckoff, to her daughter, Mabel Wyckoff, an annuity of One thousand Dollars (\$1,000).

To Grace Harvey, a daughter of said Sarah Elizabeth Wyckoff, an annuity of One thousand Dollars (\$1,000) for the support of herself and of her two children now living.

and after her death or re-marriage to the said two children in equal shares and to the survivor of them.

To Mary Anna Miller, a sister of the said Charles Henry Sanford, an annuity of Three thousand Dollars (\$3,000).

To Frederick J. Sanford, a nephew of the said Charles Henry Sanford, and a son of his brother Jacob Sanford, and to his wife, jointly, and to the survivor of them, an annuity of Two thousand Dollars (\$2,000) for the purpose of aiding in the support of the mother, sister and brothers of said Frederick J. Sanford; this annuity, however, except as hereinafter stated, to terminate only upon the death of the survivor of the said Frederick J. Sanford and his wife.

Provided, however, that if any of said annuitants shall survive all of the grandchildren hereinafter mentioned of said Charles Henry Sanford, the annuity of such survivor or survivors, unless such survivor be Emily Austin Sanford, shall cease upon the death of the last survivor of said grandchildren.

And upon further trust, to set apart securities of the par value of One hundred and fifty thousand Dollars (\$150,000), and to collect and receive the income thereof and accumulate the said income for the benefit of Colville Herbert Sanford Barclay, a great-grandson of the said Charles Henry Sanford, until the said Colville Herbert Sanford Barclay shall attain the age of twenty-one years, and then to pay over to him the said sum of One hundred and fifty thousand Dollars (\$150,000) and all accumulations of said [fol. 72] income, and if he shall die before attaining the age of twenty-one years, then upon his death to pay over the said trust fund and all accumulations thereof to his eldest brother then living, and if there shall be no brother of his living at that time, then to pay over and distribute the said principal sum and all accumulated income thereof to and among the nephews and nieces then living of the said Charles Henry Sanford, in equal shares and to the children of any deceased nephew or niece, per stirpes and not per capita, the share which would have been taken by such deceased nephew or niece if living, except that the share of Addison Star Sanford, one of said nephews shall be paid to his wife, or if she be dead, to her children.

And upon further trust, to divide the residue of the said trust property into five (5) equal shares and to set apart and designate one share for each of the following named

grandchildren of the said Charles Henry Sanford, to wit: Sarita Enriqueta Barclay, wife of Colville Barclay, Georgiana Frances Phipps, wife of Eric Phipps,*Charles Sanford Ward, Herbert Sanford Ward and Roger Casement Ward, and after deducting from the income of each share until the trust herein created in respect to it shall terminate, an equal proportion of the annuities hereinbefore given and the expenses and commissions of said Trustee, to apply the residue of the net income of each share to the use of the said grandchild for whom it shall be so set apart and designated during the time of her or his natural life, making payment thereof in equal quarter yearly installments,—except that, until the payment in full of said indebtedness of the party of the first part to the party of the second part hereinbefore mentioned, with interest, the said party of the second part shall reserve and apply to the payment of the said indebtedness all the net income of each of said shares during the term of said several trusts after payment of said annuities and expenses and commissions of said trustee and after applying annually out of the said income of her share to the use of Sarita Enriqueta Barclay, the sum of Twenty-five thousand Dollars (\$25,000) and out of the income of her share to the use of Georgiana Frances Phipps, the sum of Twenty-five thousand Dollars (\$25,000) and out of the income of the share of each of said grandsons of said Charles Henry Sanford, to wit: Charles Sanford Ward, Herbert Sanford Ward and Roger Casement Ward, all of whom are now minors; the sum of Two thousand five hundred Dollars (\$2,500) annually, to the use of each of said minors by paying each of said sums during the minority of said grandchildren respectively to Sarita Sanford Ward; daughter of the said Charles Henry Sanford and to Herbert Fitz-Edwin [fol. 73] Ward, her husband, jointly, and to the survivor of them, for the support, maintenance and education of said minors and if any of the said grandsons of Charles Henry Sanford shall attain the age of twenty-one years before said indebtedness shall be paid in full, then after applying out of the said income of such grandson's share after he shall attain twenty-one years of age to his use the sum of Two thousand five hundred Dollars (\$2,500) per annum until said indebtedness shall be paid in full; and after the aforesaid indebtedness is paid, in case any grandson before that time shall have attained the age of twenty-one years but not

the age of twenty-five years, then to apply the net income of the share of such grandson after reserving its proper proportion of said annuities and of the expenses and commissions of the trustee to the use of said Sarita Sanford Ward and Herbert Fitz-Edwin Ward jointly and to the survivor of them until said grandson shall attain the age of twenty-five years and thereafter to apply to the use of such grandson the whole of the aforesaid net income of his share, and to continue to apply the sum of Two thousand five hundred Dollars (\$2,500) annually as aforesaid to the use of each of said grandsons who shall be minors when said indebtedness is paid in full as aforesaid during their respective minorities and to accumulate during his minority the residue of each such minor's share of income after making the proper reductions for the payment of said annuities and trustee's expenses and commissions, and as each such minor shall attain the age of twenty-one years, to pay over to him all of said accumulated income of the share of said trust property set apart or designated to him, and as each grandson shall attain twenty-one years of age thereafter to apply to the use of said Sarita Sanford Ward and Herbert Fitz-Edwin Ward, jointly, and to the survivor of them, all of the net income of his share of said property, after reserving the proper proportion of said annuities and trustee's expenses and commissions, until he shall attain the age of twenty-five years, and thereafter to apply to his use, after reserving the proper proportion of said annuities and trustee's expenses and commissions, all of the income of his share.

And upon further trust, upon the death of any of said grandchildren to pay over to the child or children of the one so dying, and, if more than one, in equal shares, and to their descendants, per stirpes and not per capita, the share of said property set apart or designated to or for the use of said deceased grandchild, being one-fifth of the property described in Schedule "A" hereto annexed, in whatever form it may be at that time invested including a like proportion of any additions thereto, but excepting the securities selected to constitute the said One hundred and fifty thousand Dollar (\$150,000) trust fund, reserving, however, from said share its proportionate amount of said indebtedness, if any there shall be at that time, and applying the same towards the payment of said indebtedness, with interest, and reserving also from such share its propor-

tionate amount of such fund as may be necessary, in the judgment of the said Trustee, to secure payment of the annuity hereinbefore given to Emily Austin Sanford until her death, and in the event that any of said grandchildren shall die without leaving any child or children or descendant surviving him or her, then to pay over and distribute the share of the one so dying to and among the nephews and nieces of said Charles Henry Sanford then surviving, and the child or children of any of the said nephews or nieces who shall previously have died leaving a child or children then surviving, so that all the children of any deceased nephew or niece shall take between them one share and each living nephew and niece one share, except that the share of Addison Star Sanford one of said nephews shall be paid to his wife, if living, and if she be dead to her children then living.

Provided always, nevertheless, that it shall be lawful for the party of the second part as Trustee as aforesaid and its successors to sell the whole or any part of the estate hereby granted and any property which may be hereafter added thereto as hereinafter provided, either at public or private sale, and to invest and reinvest the proceeds of said sale or any other money which may at any time come into its possession as trustee under this indenture; to change investments from time to time in its discretion; and it shall be lawful for the party of the second part to invest the said proceeds and said moneys in any securities which shall be recommended by the party of the first part in writing, as well as in such investments as may be permitted by law and to hold any or all securities forming part of the trust estate so long, as, in the judgment of the party of the second part, it may be deemed prudent so to do; and the proceeds of any sale and the securities and funds acquired or created by any such investments or reinvestments shall be held by the said Trustee and its successors in Trust in the same manner and in all respects and to the same extent as it holds the original trust property under this indenture, and the same shall be subject to all the trust limitations and contingencies as is hereinbefore mentioned, expressed and declared of and concerning the original trust property so sold or invested.

It is further understood and agreed that the party of the first part may, either in his lifetime or by last Will and Testament, add to the property described in Schedule A

[fol. 75] such other property as he may from time to time transfer to the party of the second part for that purpose, and that all such property so transferred in his lifetime shall be designated for such purpose by suitable description thereof in said Schedule A or in a supplemental Schedule, over the signature of the party of the first part and to be annexed hereto and shall thereupon become subject to all the trusts, powers and limitations hereinbefore expressed with regard to property described in said Schedule A.

It is further understood and agreed that all the income herein required to be distributed and paid over by the party of the second part shall be distributed in quarter yearly payments on the first day of January, April, July and October in each year, beginning on the first day of January, 1914, except that the annuity to Emily Austin Sanford shall not be payable until the first of said quarterly days following the payment of said indebtedness in full and except that the income herein required to be distributed and paid over by the party of the second part to Sarita Enriqueta Barclay and Georgiana Frances Phipps shall be distributed in quarter yearly payments on the first day of February, May, August and November in each year beginning on the first day of February, 1914.

It is further understood and agreed that the party of the second part shall receive in full for its compensation for acting as trustee of the trusts herein created, in addition to its necessary expenses, a commission at the rate of one per cent (1%) on the amount of all income received by it and a commission of one-quarter of one per cent ($\frac{1}{4}$ of 1%) on each distribution or other payment of capital.

It is further understood and agreed that the party of the second part shall not be responsible for any diminution of the trust estate resulting from depreciation of securities or property in which it shall have been invested in good faith, and that it shall not be responsible for mistakes or errors in judgment but shall be responsible only for fraud or wilful misconduct of the party of the second part, its officers and agents.

The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part.

[fol. 76] The party of the second part hereby accepts the trusts hereinbefore created and agrees faithfully to perform the same.

In Witness Whereof, the party of the first part has hereunto set his hand and seal and the party of the second part has caused its corporate seal to be affixed and these presents signed by its President the day and year first above written.

C. H. Sanford. Guaranty Trust Company of New York, by A. J. Hemphill, President. (Seal.)

Attest: E. H. Hebbard, Secretary.

In presence of: — — —

The words "This annuity however, Except as hereinafter stated, to terminate only upon the death of the survivor of the said Frederick J. Sanford and his wife" interlined on the fourth page before Execution.

Edward R. Green. Levi S. Tenney.

STATE OF NEW YORK,

County of New York, ss:

On this 24th day of December, in the year One thousand nine hundred and thirteen, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Otto Paul, Notary Public 2968, New York County.
N. Y. Reg. No. 5019.

[fol. 77] STATE OF NEW YORK,

County of New York, ss:

On the 24th day of December, in the year One thousand nine hundred and thirteen, before me personally came Alexander J. Hemphill, to me known, who, being by me duly sworn, did depose and say, that he resides in Spring Lake, New Jersey; that he is the President of the Guaranty Trust Company of New York, the corporation described in, and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Otto Paul, Notary Public 2968, New York County.
N. Y. Reg. No. 5019.

[fol. 78]

SCHEDULE "A"

Statement of Securities Referred to in the Foregoing Trust
Deed

Pounds Sterling

Par Value	Names of Securities
500,000	Central Argentine Rly. Cons. Ord. stk. (6%)
10,000	Brazil North Eastern Rly. debts. 6%
55,000	Angle Argentine Tramways debts. 4%
10,000	Angle Argentine Tramways 5%
4,940	Underground Elect. Rlys., London 4½%
5,000	New York Telephone, 1st mort. 4½%
80,000	City of Monte Vides 5%
10,000	Argentine Republic 4%
5,000	Uruguay 3½%
5,000	Chaplin Milne Grenfell & Co., Ltd. (4%)

684,940

United States Currency

\$ 535,000	Missi. River & Bonne Terre Rly., 1st mort. skg. fund 5%
300,000	Southern Rly., develpt. & genl. mort. series A 4%
250,000	Cincinnati, Hamilton & Dayton Rly., 1st mort. 4%
250,000	Lake Shore Elect. Rly. genl. mort. 5%
250,000	Great Falls Power Co. 1st mort. skg. fund 5%
250,000	St. Louis Sth. Western Rly. 1st term. & unifying mort. 5%
250,000	Central States Elect. Corp. gold notes 5%
200,000	American Mechanics' Bdg. Assocn. Trenton mort. 6%
100,000	Central Arkansas & Eastern Rly. 1st mort. quar. 5%
100,000	Stephensville Nth. & Sth. Texas Rly. 1st mort. 5%
100,000	Chicago, Milwaukee & St. Paul Rly. 4%
50,000	New York Central Lines Equip. Trust 1910 4½%
50,000	New York Central Lines Equip. Trust 1910 4½%
50,000	Pittsburg & Shawmut Rly. 2 yr. notes 6%
50,000	Lake Shore & Michigan Southern Rly. debts. 4%
50,000	New York Central & Hudson River Rly. debts. 4%
50,000	Idaho & Washington Northern Rly. coupon notes 6%
25,000	Idaho & Washington Northern Rly. 1st mort. notes skg. fund, 5%
20,000	Guaranty Trust Co. of New York Shares
10,000	J. G. White Co. Incorpd. Pref. Shares (100) 6%
5,000	Freehold Trust Co. Freehold Shares

\$2,970,000

C. H. Sanford.

[fol. 79] This Supplemental Indenture, made the 15th day of February, in the year one thousand nine hundred and sixteen, between Charles Henry Sanford, of Freehold, Monmouth County, in the State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part,

Witnesseth:

That, Whereas, by an indenture dated the twenty-fourth day of December, one thousand nine hundred and thirteen, between the parties hereto, the party of the first part did create various trusts in property of which the party of the second part was made Trustee; and,

Whereas, the said trust indenture between the parties hereto, dated December 24, 1913, contained the following provision:

“The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing execute under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part,”

Now, Therefore, and pursuant to the power reserved to the party of the first part by the aforesaid indenture, the party of the first part by this supplemental indenture does hereby terminate or modify such of the trusts created in the original indenture herein dated December 24, 1913, so far as they refer to the property described in said trust deed as the residue thereof which is directed to be divided into five equal shares, and the provisions thereof are hereby, as to such residue before referred to, modified to the same effect as though originally so described, so as to read as follows:

“And upon further trust, to divide the residue of the said trust property into five (5) equal shares and to set apart and designate one share for each of the following named grandchildren of the said Charles Henry Sanford, to wit: Sarita Enriqueta Barclay, wife of Colville Barclay, Frances Georgiana Phipps, wife of Eric Phipps, Charles Sanford Ward, Herbert Sanford Ward and Roger Casement Ward, and after deducting from the income of each share until the trust herein created in respect to it shall terminate, an equal

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proportion of the annuities hereinbefore given and the ex-
 [fol. 80] penses and commissions of said Trustee, to apply
 the residue of the net income of each share to the use of the
 said grandchild for whom it shall be so set apart and design-
 ated during the time of her or his natural life, making pay-
 ment thereof in equal quarter yearly installments—except
 that until the payment in full of said indebtedness of the
 party of the first part to the party of the second part herein-
 before mentioned with interest, the said party of the second
 part shall reserve and apply to the payment of the said in-
 debtedness all the net income of each of said shares during
 the term of said several trusts after payment of said an-
 nuities and expenses and commissions of said trustee and
 after applying annually out of the said income of her share
 to the use of Sarita Enriqueta Barclay, the sum of Twenty-
 five thousand Dollars (\$25,000.) and out of the income of
 her share to the use of Frances Georgiana Phipps, the sum
 of Twenty-five thousand Dollars (\$25,000.) and out of the
 income of the share of each of said grandsons of said Charles
 Henry Sanford, to wit: Charles Sanford Ward, Herbert
 Sanford Ward and Roger Casement Ward, all of whom are
 now minors, the sum of Two thousand and five hundred
 Dollars (\$2,500.) annually, to the use of each of said minors
 by paying each of said sums during the minority of said
 grandchildren respectively to Sarita Sanford Ward, daugh-
 ter of the said Charles Henry Sanford and to Herbert Fitz-
 Edwin Ward, her husband, jointly, and to the survivor of
 them, for the support, maintenance and education of said
 minors and if any of the said grandsons of Charles Henry
 Sanford shall attain the age of twenty-one years before said
 indebtedness shall be paid in full, then after applying out
 of the said income of such grandson's share after he shall
 obtain twenty-one years of age to his use the sum of Two
 thousand five hundred Dollars (\$2,500.) per annum until
 said indebtedness shall be paid in full; and after the afore-
 said indebtedness is paid, in case any grandson before that
 time shall have attained the age of twenty-one years but not
 the age of twenty-five years, then to apply the net income of
 the share of such grandson after reserving its proper pro-
 portion of said annuities and of the expenses and commis-
 sions of the trustee to the use of said Sarita Sanford Ward
 and Herbert Fitz-Edwin Ward jointly and to the survivor
 of them until said grandson shall attain the age of twenty-
 five years and thereafter to apply to the use of such grand-

son the whole of the aforesaid net income of his share, and to continue to apply the sum of Two thousand five hundred Dollars (\$2,500.) annually as aforesaid to the use of each of said grandsons who shall be minors when said indebted-[fol. 81] ness is paid in full as aforesaid during their respective minorities and to accumulate during his minority the residue of each such minor's share of income after making the proper reductions for the payment of said annuities and trustees expenses and commissions, and as each such minor shall attain the age of twenty-one years, to pay over to him all of said accumulated income of the share of said trust property set apart or designated to him, and as each grandson shall attain twenty-one years of age thereafter to apply to the use of said Sarita Sanford Ward and Herbert Fitz-Edwin Ward, jointly, and to the survivor of them, all of the net income of his share of said property, after reserving the proper proportion of said annuities and trustees expenses and commissions, until he shall attain the age of twenty-five years, and thereafter to apply to his use, after reserving the proper proportion of said annuities and trustees expenses and commissions, all of the income of his share.

And upon further trust, upon the death of any of said grandchildren to pay over to the child or children of the one so dying, and, if more than one, in equal shares, and to their descendants, *per stirpes* and not *per capita*, the share of said property set apart or designated to or for the use of said deceased grandchild being one-fifth of the property described in Schedule "A" hereto annexed, in whatever form it may be at that time invested, including a like proportion of any additions thereto, but excepting the securities selected to constitute the said One hundred and fifty thousand Dollars (\$150,000.) trust fund, reserving, however, from said share its proportionate amount of said indebtedness, if any there shall be at that time, and applying the same towards the payment of said indebtedness, with interest, and reserving also from such share its proportionate amount of such fund as may be necessary, in the judgment of the said Trustee, to secure payment of the annuity hereinbefore given to Emily Austin Sanford until her death, and in the event that any of said grandchildren shall die without leaving any child or children or descendant surviving him or her, then to pay over the share of the one so dying to the party of the first part hereto should he be living, and, if dead, to his legal representatives."

By this supplemental indenture it is not proposed to modify, alter or revoke any other trust or trusts than the ones affected by the modification contained in this instrument, and any and all the various provisions and conditions of the said trusts are hereby in all respects reaffirmed and ratified, specifically including the right of the party of the [fol. 82] first part by a further suitable instrument to terminate or modify any or all of the trusts originally created or hereby modified in the same manner as is described in the indenture dated December 24, 1913.

In Witness Whereof, the party of the first part has heretofore set his hand and seal, and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its President, the day and year first above written.

C. H. Sanford (L. S.). Guaranty Trust Company of New York, by Charles H. Sabin, President.

Attest: E. H. Hebbard, Secretary.

STATE OF NEW YORK,
County of New York, ss:

On the 15th day of February, in the year One thousand nine hundred and sixteen, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

H. F. Wortham, Notary Public. Notary Public, New York County. New York County Clerk's No. 323. New York Register's No. 7279. My Commission Expires March 30, 1917.

(Seal)

[fol. 83] STATE OF NEW YORK,
County of New York, ss:

On this 15th day of February, in the year One thousand nine hundred and sixteen, before me personally came Charles H. Sabin, to me known, who, being by me duly sworn, did depose and say, that he resides in the Borough of Manhattan, City of New York, and is the President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument;

that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

H. F. Wortham, Notary Public, Notary Public, New York County. New York County Clerk's No. 323. New York Register's No. 7279. My Commission Expires March 30, 1917.

(Seal)

[fol. 84] This Supplemental Indenture, made the 6th day of September, in the year One thousand nine hundred and sixteen, between Charles Henry Sanford, of Freehold, Monmouth County, in the State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part,

Witnesseth:

That, Whereas, by an indenture dated the twenty-fourth day of December, One thousand nine hundred and thirteen, between the parties hereto, the party of the first part did create various trusts in property of which the party of the second part was made Trustee; and,

Whereas, the said trust indenture between the parties hereto, dated December 24, 1913, contained the following provision:

"The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with party of the second part";

and

Whereas, by supplemental indenture dated the 15th day of February, 1916, made between the said Charles Henry Sanford, as party of the first part, and Guaranty Trust Company of New York, as party of the second part, the said Charles Henry Sanford modified in certain respects certain of the trusts created by said indenture of December 24, 1913;

and

Whereas, the said Charles Henry Sanford desires by this instrument further to modify certain of the trusts created by said indenture dated December 24, 1913,

Now, Therefore, and pursuant to the power reserved to the party of the first part by the aforesaid indenture of December 24, 1913, the party of the first part by this supplemental indenture does hereby modify such of the trusts created in the original indenture herein dated December 24, 1913, so far as they refer to the powers of the trustee to make or retain investments, and the provisions of said indenture of December 24, 1913, relating to said powers are hereby modified to the same effect as though originally so made and described so as to read as follows:

[fol. 85] Provided Always, nevertheless, that it shall be lawful for the party of the second part as trustee, as aforesaid, and its successors to sell the whole or any part of the estate hereby granted and any property which may be hereafter added thereto as hereinafter provided, either at public or private sale, and to invest and reinvest the proceeds of said sale or any other money which may at any time come into its possession as trustee under this indenture; to change investments from time to time in its discretion; and it shall be lawful for the party of the second part to invest the said proceeds and said moneys in any securities which shall be designated by the party of the first part in writing as well as in such securities as may be permitted by law, and from time to time at the written request of the party of the first part to change any or all of the securities forming the trust estate or any part thereof, and on his written request to extend any investment which may have become due and on his written request to consent to the reorganization or consolidation of any corporation or sale to any other corporation or person of the property of any corporation the stocks, bonds or other securities of which are at the time held by said trustee and to do any act with reference thereto necessary or proper including the payment of moneys to enable said trustee to obtain the benefit of any such reorganization, consolidation or sale of such stocks, bonds or other securities held by said trustee, and to exercise any option for conversion or additional subscriptions extended by any such corporation or in respect to any such stocks, bonds or other securities and to make such conversions and subscriptions

and to make any necessary payments therefor and to hold such new securities in said trusts, and during the lifetime of the party of the first part the trustee may retain any investment until it receives a written notice from the party of the first part to sell or dispose of the same, and the written direction of the party of the first part in respect to any investments or reinvestments or in respect to the conversion, subscription or purchase of any securities forming part of the trust estate shall be full authority and protection to the party of the second part for acting in the faith thereof; and after the death of the party of the first part the party of the second part shall have power to continue to hold any investments in which at the time of his death the trust estate or any part thereof may be invested and shall have power to do all of the things which it is hereby authorized to do on the written request or consent of the party of the first part, except that any reinvestments made after his death shall be made in such property and securities as may be permitted by law for trustees to invest in; and the said party of the second part shall be under no liability whatsoever for any [fol. 86] loss which may arise from the exercise by said party of the second part of any of the powers herein contained; and the proceeds of any sale and the securities and funds acquired or created by any such investments or reinvestments, conversion, subscription or purchase shall be held by the said trustee and its successors In Trust in the same manner and in all respects and to the same extent as it holds the original trust property under this indenture, and the same shall be subject to all the trust limitations and contingencies as is hereinbefore mentioned, expressed and declared of and concerning the original trust property so sold or invested.

By this supplemental indenture it is not proposed to modify, alter or revoke any other trust or trusts or provisions created by or contained in said indenture of December 24, 1913, as modified by said Supplemental Indenture of February 15th, 1916, other than the ones affected by the modification contained in this instrument, and any and all the various provisions and conditions of the said trusts as so modified are hereby in all respects reaffirmed and ratified, specifically including the right of the party of the first part by a further suitable instrument to terminate or modify any or all of the trusts originally created or modified by said Supplemental Indenture of February 15th, 1916, or hereby

modified in the same manner as is described in the indenture dated December 24, 1913.

In Witness Whereof, the party of the first part has hereunto set his hand and seal, and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its President, the day and year first above written.

C. H. Sanford, (Seal). Guaranty Trust Company of New York, by Wm. C. Cox, Vice-President.

Attest: L. S. Critchell, Asst. Secretary.
(Seal)

[fol. 87] STATE OF NEW JERSEY,
County of Monmouth, ss:

On the 6th day of September, in the year One thousand nine hundred and sixteen, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

Carl McDermott, a Commissioner of Deeds in New Jersey for the State of New York.
(Seal)

STATE OF NEW YORK,
County of New York, ss:

On this 7th day of August in the year of One thousand nine hundred and sixteen, before me personally came Wm. C. Cox, to me known, who, being by me duly sworn, did depose and say, that he resides in Sag Harbor, New York, and is the Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

A. E. Burke, Notary Public New York County. New York County Clerk's No. 268. New York Register's No. 8011. My Commission Expires Mar. 30, 1918.

(Seal)

[fol. 88] This Supplemental Indenture made the 17th day of August, in the year One thousand nine hundred and seventeen, between Charles Henry Sanford, of Freehold, Monmouth County, in the State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part,

Witnesseth:

That, Whereas, by an indenture dated the twenty-fourth day of December, One thousand nine hundred and thirteen, between the parties hereto, the party of the first part did create various trusts in property of which the party of the second part was made Trustee; and,

Whereas, the said trust indenture between the parties hereto, dated December 24, 1913, contained the following provision:

"The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part;"

and

Whereas, by supplemental indenture dated the fifteenth day of February, 1916, and by supplemental indenture dated the sixth day of September, 1916, the said Charles Henry Sanford has modified in certain respects the said indenture of December 24, 1913; and

Whereas, the said Charles Henry Sanford desires by this instrument further to modify certain of the trusts created by said indenture dated December 24, 1913:

Now, Therefore, pursuant to the power reserved to the party of the first part by the said Indenture of December 24, 1913, the party of the first part by this supplemental indenture does hereby modify the provision contained in said Indenture of December 24, 1913, by which there is given to Grace Harvey, a daughter of Sarah Elizabeth Wyckoff, an annuity of One thousand dollars for the sup-

Georgina Phipps, Herbert Sanford Ward and Rodney Sanford Ward, are as follows:

(a) \$1,000 per annum to Mrs. Mamie Crisp and Louis Crisp, of 32 Oak Lane, Trenton, N. J. (daughter and son-in-law of William A. Sanford) and to the survivor of them, to be used and applied for the benefit of their daughter Jeanette Crisp as long as she lives, and after her death the said annuity shall be paid to said Mamie Crisp and Louis Crisp, or the survivor of them, during their natural lives, without restriction or limitation as to its use or application.

(b) \$1,000 per annum to William A. Sanford of 509 East Broad Street, Westfield, N. J., to be by him used and applied for the benefit of his son Joseph A. Sanford during the life of the latter, and upon the death of said William A. Sanford such annuity shall be paid by the Trustee to said Joseph A. Sanford during his natural life.

(c) \$1,000 per annum to Jacob Horace Sanford, of 509 East Broad Street, Westfield, New Jersey, (son of William A. Sanford) to be paid to him during his natural life.

(d) \$500 per annum to Delia Sanford, of 509 East Broad Street, Westfield, N. J. (daughter of William A. Sanford), to be paid to her during her natural life; this payment to be in addition to the annuity of \$500 heretofore granted to said Delia Sanford under the original indenture of trust dated December 24, 1913.

[fol. 94] (e) \$500 per annum to Margaret Sanford of Bordentown, N. J. (widow of Charles Sanford, son of William A. Sanford), to be paid to her during her natural life.

(f) \$1,000 per annum to Jacob Van Zandt Wyckoff and his wife, Neola Wyckoff, of 1541 Fuller Avenue, Hollywood, California (son and daughter-in-law of Mrs. S. E. Wyckoff) and to the survivor of them, to be used and applied for the benefit of their children during the lives of the latter, and upon their death the said annuity shall be paid to said Jacob Van Zandt Wyckoff and his wife, Neola Wyckoff, or the survivor of them, during their natural lives, without restriction or limitation as to its use or application.

(g) \$1,000 per annum to Charles S. Wyckoff, of 1541 Fuller Avenue, Hollywood, California (son of Mrs. S. E. Wyckoff) to be paid to him during his natural life.

(h) \$1,000 per annum to Mabel Wyckoff, of 1541 Fuller Avenue, Hollywood, California (daughter of Mrs. S. E. Wyckoff), to be paid to her during her natural life.

(i) \$1,000 per annum to Sarah E. Wyckoff, Mabel Wyckoff, and Charles S. Wyckoff, of 1541 Fuller Avenue, Hollywood, California, and to the survivors or survivor of them, to be used and applied in such manner as may be dictated by the judgment of said Sarah E. Wyckoff, Mabel Wyckoff and Charles S. Wyckoff, or the survivors or survivor of them, for the benefit of Frank Wyckoff as long as he lives. Should all three of the above payees predecease said Frank Wyckoff, then such annuity shall be paid to said Frank Wyckoff during his natural life.

(j) \$1,000 per annum to John Henry Wyckoff and his wife, Carrie Estelle Wyckoff, of 714 West 43rd Place, Los Angeles, California (son and daughter-in-law of Mrs. S. E. Wyckoff), and to the survivor of them, to be used and applied for the benefit of their children during the lives of the latter, and after their death the said annuity shall be paid to said John Henry Wyckoff and Carrie Estelle Wyckoff, or the survivor of them, during their natural lives, without restriction or limitation as to its use or application.

(k) \$500 per annum, to be paid quarterly to the Freehold Trust Company of Freehold, New Jersey, for the account of Blanche Wyckoff (daughter of Mrs. S. E. Wyckoff), such quarterly payments to continue during the natural life of Blanche Wyckoff.

[fol. 95] (l) \$500 per annum to Charles S. Miller and Harriet Miller of South Orange, New Jersey, son and daughter-in-law of Annie Miller, and the survivor of them, during their respective lives.

(m) \$1,500 per annum to Dr. James D. Miller of 219 West 81st Street, New York City (son of Annie Miller), to be paid to him during his natural life and upon his death to continue such annuity to his wife, Mona Miller, during her natural life.

(n) \$500 per annum to Mrs. Elizabeth Bates of 18 Hampton Street, Cranford, New Jersey (daughter of Annie Miller), to be paid to her during her natural life.

(o) \$500 per annum to Sarah F. Yard of Milburn Street, Evanstown, Illinois (daughter of Annie Miller), to be paid to her during her natural life.

port of herself and of her two children now living and after death or re-marriage to the said two children in equal shares so that the said provision shall read as follows:

[fol. 89] "To Mrs. Anna Grace Naquin, a daughter of said Sarah Elizabeth Wyckoff, an annuity of (\$1,000) for the support of her children Edward Clinton Harvey and Grace Elizabeth Harvey, or the survivor of them, until the youngest of them reaches the age of twenty-one years and if she dies before such event the said Annuity shall be paid for account of said children and the survivor of them until the youngest shall attain the age of twenty-one years to said Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally."

In all other respects save as modified by this supplemental indenture and the two supplemental indentures hereinbefore referred to the said Indenture of December 24, 1913, is hereby in all respects reaffirmed and ratified especially including the right of the party of the first part by a further suitable instrument to terminate or modify any or all of the trusts originally created or modified by said supplemental indentures hereinbefore referred to or by this supplemental indenture.

In Witness Whereof, the party of the first part has hereunto set his hand and seal, and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its President, the day and year first above written.

C. H. Sanford. (Seal.) Guaranty Trust Company of
New York, by Wm. C. Lane, Vice-President.

Attest: M. J. Dumont, (Seal.) Asst. Secretary.

STATE OF NEW YORK,
County of New York, ss:

On the sixteenth day of August, in the year One thousand nine hundred and seventeen, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

Carl McDermott, (Seal.) Commissioner of Deeds for
the State of New York in New Jersey.

[fol. 90] STATE OF NEW YORK,
County of New York, ss:

On this 17th day of August, in the year One thousand nine hundred and seventeen, before me personally came Wm. C. Lane, to me known, who, being by me duly sworn, did depose and say, that he resides in New York City and is the Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

A. E. Burke, Notary Public, New York County. New York County Clerk's No. 268. New York Register's No. 8011. My Commission expires Mar. 30, 1918. (Seal.)

[fol. 91] This Supplemental Indenture made the 19th day of December, 1917, between Charles Henry Sanford, of Freehold, Monmouth County, in the State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part,

Witnesseth

That Whereas, by an indenture dated the 24th day of December, 1913, the party of the first part did create various trusts in property of which the party of the second part was made trustee; and

Whereas, the said trust indenture between the parties hereto dated December 24, 1913, contained the following provision:

"The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part";

and

Whereas, pursuant to the aforesaid right reserved to the party of the first part, there were executed supplemental

indentures dated respectively February 15, 1916, September 6, 1916, and August 17, 1917, which instruments together with this indenture are hereinafter for convenience described as the supplements to said original Indenture of Trust, and

Whereas, pursuant to the terms of the trust existing under and by virtue of the instruments hereinbefore recited, the trustee, among other things, held subject to the payments of certain annuities and income to life tenants, five separate trusts for the lives respectively of the five grandchildren of the party of the first part, to wit, Sarita Enriqueta Barclay, Frances Georgina Phipps, Charles Sanford Ward, Herbert Sanford Ward and Rodney Sanford Ward (formerly known as Roger Casement Ward); and

Whereas, as provided in said Indenture of Trust and the supplements thereto, each of the aforesaid five separate trusts was to terminate upon the death respectively of each of said grandchildren, and in the event that any of said grandchildren should die without leaving any child or children or descendant surviving him or her, then the principal [fol. 92] of the trust held for the one so dying should be paid over to the party of the first part if he be living, and, if dead, to his legal representatives; and

Whereas, Charles Sanford Ward, one of said grandchildren, was killed in battle in France at the age of twenty-one years, without leaving any child or children or descendant, and the Trustee does hold as principal of the trust created for the life of said Charles Sanford Ward, securities in accordance with the annexed statement designated as Exhibit 1; the same being now the property of the party of the first part hereto; and

Whereas, the trust agreement dated December 24, 1913, contains a provision reading as follows:

"It is further understood and agreed that the party of the first part may, either in his lifetime or by last will and testament, add to the property described in Schedule A, such other property as he may from time to time transfer to the party of the second part for that purpose and that all such property so transferred in his lifetime shall be designated for such purpose by suitable description thereof in said Schedule A or in a supplemental schedule over the signature of the party of the first part and to be annexed

hereto, and shall thereupon become subject to all the trusts, powers and limitations hereinbefore expressed with regard to property described in said Schedule A."

Now, Therefore, the party of the first part does hereby modify the provisions of said indenture of trust dated December 24, 1913, and adds to the property forming the subject thereof all in the particulars and manner hereinafter stated, that is to say:

First. The principal of the said trust held for the benefit of and during the life of Charles Sanford Ward, now deceased, and now belonging to the party of the first part hereto and described in the annexed Exhibit 1, shall be added to and divided equally among the respective trusts created for the lifetime of each of the four remaining grandchildren of the party of the first part, to wit: Sarita Enriqueta Barclay, Frances Georgina Phipps, Herbert Sanford Ward and Rodney Sanford Ward (formerly known as Roger Casement Ward), to be held upon the trusts, terms, conditions, powers and limitations contained in said trust agreement and the supplements thereto, Subject, However, in respect to each of said trusts so increased

[fol. 93] (1) to the payment out of income of an equal proportion of the expenses and commissions of the Trustee;

(2) to the payment out of income of an equal proportion of the annuities provided for in the Indenture of Trust dated December 24, 1913, and the supplements thereto including those additional annuities which are hereinafter set forth;

(3) to the payment in full of a proportionate part of the indebtedness to the party of the second part recited in the Indenture of Trust dated December 24, 1913, and the supplements thereto, with interest on said indebtedness.

The additional annuities hereby created under this supplemental indenture, all of which are to become immediately payable and a prior charge proportionately against the income arising from the four separate trusts above mentioned, except the four specific annuities of twenty-five thousand dollars (\$25,000) each now payable or soon to become payable to Sarita Enriqueta Barclay, Frances

(p) \$2,000 per annum to Robert C. Miller and Frances Miller, of 21 Holly Street, Cranford, New Jersey (son and daughter-in-law of Annie Miller), and to the survivor of them, to be used and applied for the benefit of their children, during the lives of the latter, and after their death the said annuity shall be paid to said Robert C. Miller and Frances Miller, or the survivor of them, during their natural lives, without restriction or limitation as to its use or application.

(q) \$1,000 per annum to Daniel E. Sanford, of Trenton, N. J. (son of Tylee Sanford), to be paid to him during his natural life.

(r) \$1,000 per annum to Garret T. Sanford and Emma Sanford, of Lakewood, New Jersey (son and daughter-in-law of Tylee Sanford), and to the survivor of them, during their natural lives.

(s) \$1,000 per annum, to be paid to Margaret Irene Sanford, of 505 Summerfield Avenue, Asbury Park, N. J. (daughter-in-law of Tylee Sanford), to be by her used and applied for the benefit of herself and family as she may see fit, during her natural life and upon her death to continue the payment of such annuity to her husband, Frank A. Sanford, during his natural life.

(t) \$1,000 per annum to Henry P. Sanford and Viola Sanford, of 1405 Bangs Avenue, Asbury Park, N. J. (son and daughter-in-law of Tylee Sanford), and to the survivor of them, during their natural lives.

[fol. 96] (u) \$1,000 per annum to Lizzie Henderson Sanford, of 505 Summerfield Avenue, Asbury Park, N. J. (daughter-in-law of Tylee Sanford), to be paid to her during her natural life for the benefit of herself and family as she sees fit, and upon her death to continue the payment of such annuity to her husband, Addison S. Sanford, during his natural life.

(v) \$1,000 per annum to Ollie Cross, wife of Milton Cross, of 505 Summerfield Avenue, Asbury Park, N. J. (daughter of Tylee Sanford), to be paid to her during her natural life.

(w) \$1,000 per annum to Elizabeth Adams, wife of Eleigh Adams, of 505 Summerfield Avenue, Asbury Park, N. J. (daughter of Tylee Sanford), to pay the same to her during her natural life.

(x) \$500 to Mrs. Elizabeth Sanford, widow of Tylee Sanford, of 505 Summerfield Avenue, Asbury Park, N. J., to pay the same to her during her natural life.

(y) \$1,000 per annum to Frederick Joseph Sanford, and to his wife, jointly, and to the survivor of them, for the purpose of aiding in the support of the mother, sister and brothers of said Frederick J. Sanford; this annuity, however, except as elsewhere herein stated, to terminate only upon the death of the survivor of the said Frederick J. Sanford and his wife, this payment to be in addition to the annuity of \$2,000 heretofore granted to said Frederick J. Sanford and his wife under the original indenture of trust dated December 24, 1913.

(z) \$1,000 per annum to Miss Louise Tilton, care of Rev. Dr. Edgar Tilton, 269 Lenox Avenue, New York, to be paid during her natural life.

(aa) \$500 per annum to be paid quarterly to the Freehold Trust Company of Freehold, N. J., for the account of James Billett, valet to the party of the first part, such quarterly payments to continue during the natural life of said James Billett subject to termination should the said James Billett leave the service of the party of the first part in the life-time of the latter.

With respect to each and every annuity hereinbefore recited to be paid for the benefit of any person other than the person to whom the same shall be payable, the Trustee shall [fol. 97] be under no duty whatsoever to see to the application thereof by any person to whom such annuity is directed to be paid hereby, and the receipt of the latter shall be full and ample protection to the Trustee for all purposes hereunder.

In adding to the principal of the four trusts, the property described in said Exhibit 1, the party of the first part does hereby acknowledge full satisfaction and discharge of its duties by the Trustee with respect to the trust originally created for the benefit of Charles Sanford Ward, now deceased, and as the person entitled to receive the same in the event of the death of Charles Sanford Ward, without issue, the party of the first part does direct that the same be added to and divided among the four other trust estates as hereinbefore recited, and does hereby hold harmless the Guaranty

Trust Company of New York of and from any liability arising either from its administration of said trust for the benefit of Charles Sanford Ward or from its act in transferring the principal thereof to the four other trust estates as hereinbefore directed.

Second. The party of the first part does hereby transfer, assign and deliver to the party of the second part as Trustee the property described in the supplemental schedule Exhibit 2 annexed hereto, to be divided into four equal parts and held in trust as hereinafter stated, but subject to the payment of a certain indebtedness due to the party of the second part, such indebtedness having been incurred in the purchase or acquisition of \$250,000 par value Anglo-French Five Year Five Per Cent External Loan Bonds, and \$250,000 par value New York City Four and One-half Per Cent Corporate Stock; the aggregate of said indebtedness being \$466,019.73, with interest thereon from the 19th day of December, 1917, secured by the pledge of the bonds aforesaid. The securities described in said schedule Exhibit 2 annexed hereto shall be added to and divided equally among the respective trusts created by said Indenture of Trust dated December 24, 1913, for the lives respectively of the four remaining grandchildren of the party of the first part, to wit, Sarita Enriqueta Barclay, Frances Georgina Phipps, Herbert Sanford Ward, and Rodney Sanford Ward, to be held upon the trusts, terms, conditions, powers and limitations expressed in said original indenture of trust dated December 24, 1913, and the supplements thereto, subject, however, to the payment out of the income of said property so added to each of said four trusts of a proportionate share of the aforesaid indebtedness last above referred to due to the party of the second part.

[fol. 98] Third. The annuity granted in the original indenture of trust dated December 24, 1913, to Emily Austin Sanford, wife of Charles Henry Sanford, party of the first part hereto, being an annuity of \$50,000 but not to commence until after the indebtedness to the party of the second part, as referred to in the said original indenture of trust, is paid, shall be further postponed until the liquidation and payment in full of the indebtedness incurred in the purchase or acquisition of securities added to the trust estate at the time

of the execution of this supplemental indenture, except that in the event of the decease of the party of the first part prior to the liquidation of the entire indebtedness aforesaid the said annuity payable to Emily Austin Sanford shall become immediately due and payable prior to each and every annuity or payment under the terms of the trusts referred to in said original indenture of trust and the supplements thereto, anything in said original indenture of trust or any supplement thereto to the contrary notwithstanding.

Fourth. In order to resolve any doubts as to the intention of the party of the first part with respect to the operation of the annuity payments in the original indenture of trust and the supplements thereto, it is hereby declared that none of the annuities in said original indenture of trust or supplements thereto shall be diminished or proportionately reduced on account of the falling in of any remainder or remainders provided in said trust indenture, or the supplements thereto, and should any one or more of said trust estates from the income of which the annuities are proportionately payable, be terminated, it is hereby intended that the trusts remaining in existence shall each proportionately bear the increased charge thereon necessary to permit the full payment of each and every annuity created under the original trust or any supplement thereto, as long as any of such trust estates continue.

In Witness Whereof, the party of the first part has hereunto set his hand and seal, and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its Vice-President, the day and year first above written.

C. H. Sanford, (L. S.) Guaranty Trust Company of
New York, by Frederick J. H. Sutton, Vice-President. (Seal.)

Attest: M. J. Dumont, Asst. Secretary.

[fol. 99] STATE OF NEW YORK,
County of New York, ss:

On the 19th day of December, One thousand nine hundred and seventeen, before me personally came Charles Henry Sanford, to me known and known to me to be the individual

described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

J. A. Powers, Notary Public. Westchester County.
Certificate filed in New York County. County
Clerk's No. 139. Register's No. 9124. My Com-
mission Expires March 30, 1919. (Seal.)

STATE OF NEW YORK,

County of New York, ss:

On this 19th day of December, in the year One thousand nine hundred and seventeen, before me personally came F. J. H. Sutton, to me known, who being by me duly sworn did depose and say that he resides in the City, County and State of New York and is a Vice-President of the Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

J. A. Powers, Notary Public. Westchester County.
Certificate filed in New York County. County
Clerk's No. 139. Register's No. 9124. My Com-
mission Expires March 30, 1919. (Seal.)

[fol. 100]

EXHIBIT "1"

Par Value

£11,000 Anglo-Argentine Tramways Co., Ltd. 4% Debenture Stock (par value £5)
988 Underground Electric Railway Co. of London, Ltd. 4½% Bonds due 1933
2,000 Anglo-Argentine Tramways Co., Ltd 5% Debenture Stock
2,000 Brazil Northeastern Ry. Co., Ltd. 1st Debenture Stock
1,000 New York Telephone Co. 1st General 4½% Bonds due 1939
1,000 Chaplin, Milne, Grenfell & Co. Preferred Stock
1,000 Oriental Republic of Uruguay Consolidated Debenture 3½% Bonds
2,000 Argentine Republic 4% Loan of 1900 due 1961
16,000 City of Monte Video Municipal Loan of 1889 due June 1, 1919, interest at 5%
94,000 Central Argentine Ry., Ltd. Consolidated Ordinary Stock

- \$38,000 Mississippi River & Bonne Terre Ry. Co. 1st Mtge. 5% Bonds due 1931
- 50,000 Central States Electric Corp. 5% Gold Notes due 1922
- 20,000 Chicago, Milwaukee & St. Paul Ry. Co. 4% Gold Bonds due 1934
- 50,000 Great Falls Power Co. 1st Mtge. 5% Bonds due 1940
- 50,000 Lake Shore Electric Ry. Co. General 5% Bonds due 1933
- 10,000 Lake Shore & Michigan Southern Ry. Co. 4% Bonds due 1931
- 10,000 New York Central & Hudson River R. R. Co. 4% Debenture Bonds due 1942
- 50,000 St. Louis & Southwestern Ry. Co. 1st Terminal & Unifying 5% Bonds due 1952
- 60,000 Southern Ry. Co. Development & General 4% Bonds Series "A" due 1956
- 10,000 New York Central Lines Equipment Trust 4½% due 1920
- 25,000 Central Arkansas & Eastern R. R. Co. 1st 5% Gold Bonds due 1940

[fol. 101]

- 20,000 Stephenville North & South Texas Ry. Co. 1st 5% Bonds due 1940
 - 50,000 Baltimore & Ohio R. R. Co. Toledo, Cincinnati Division 1st & Refunding 4% Bonds Series "A" due 1959
 - 145,100 Anglo-French 5-year 5% External Loan due Oct. 15, 1920
 - 1,000 Freehold Trust Co. Capital Stock (10 shares)
 - 9,000 Guaranty Trust Company of New York Capital Stock (90 shares)
 - 2,000 J. G. White & Co., Inc. Preferred Stock (20 shares)
- C. H. Sanford.

[fol. 102]

EXHIBIT "2"

Par Value

- \$250,000 Anglo-French 5 Year External Loan 5% Bonds due Oct. 15, 1920
- 250,000 City of New York Corporate Stock 4½% due July 1, 1967
- C. H. S. 1,600 shares Samuel B. Hale Cia. Lda., Capital Stock (par value 1,000 Pesos each)

beneficiaries without deduction for the purpose of liquidating any indebtedness whatsoever.

Very truly yours, C. H. Sanford.

Ctf. 343

Ctf. 352 388 486 532

571 575/7-006/7

Ctf. 625 641 648 686 807 @ 100 ea. name of L. Bowvler end.

@ 100 name of L. Bowvler Trustee endorsed.

@ 100 name of L. Bowvler Trustee endorsed.

[fol. 112] This Supplemental Indenture made this 23rd day of May in the year one thousand nine hundred and nineteen, between Charles Henry Sanford of Freehold, Monmouth County, State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part.

Witnesseth

that Whereas by an Indenture dated December 24th, 1913, the party of the first part did create various trusts in property in which the party of the second part was made Trustee; and,

Whereas, the said Trust Indenture between the parties hereto dated December 24th, 1913, contained the following provisions:

The party of the first part however, reserves the right to terminate or modify any or all of the trusts created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part,"

and,

Whereas, pursuant to the aforesaid right reserved to the party of the first part, there were executed supplemental indentures dated respectively February 15, 1916, September 6, 1916, August 17, 1917, December 9, 1917, June 28, 1918, and August 16, 1918, which instruments, together with this indenture are hereinafter for convenience described as supplements to the original indenture of trust; and,

Whereas, the party of the first part desires to add to the existing trust estates—

1. \$600,000 United States of America Second Converted Liberty Loan $4\frac{1}{4}\%$ Bonds due 1942, (subject to collateral pledge to secure the payment of \$570,000);

2. \$1,000,000 United States of America Fourth Liberty Loan $4\frac{1}{4}\%$ Bonds due 1938 (subject to collateral pledge to secure the payment of \$980,000);

3. All the right, title and interest of the party of the first part in and to the net proceeds of the sale of certain property in South America, title to which stands in the name of S. B. Hale & Co.; all said additions to be made to the existing trust estates are to be made subject to conditions as hereinafter set forth;

Now, Therefore, pursuant to the power reserved to the party of the first part in said Indenture of Trust of December 24, 1913, and the supplements thereto, the party of the first part does hereby modify the same as follows:

First. For the purpose of adding to and increasing the total corpus of the existing trust estates, the party of the first part does hereby assign, transfer and deliver unto the party of the second part, in trust nevertheless for each and every purpose described in the original indenture of trust and the supplements thereto—

1. \$600,000 United States of America Second Converted Liberty Loan $4\frac{1}{4}\%$ Bonds due 1942, now subject to collateral pledge with the Guaranty Trust Company of New York to secure the payment of the note of the party of the first part for \$570,000, payable August 14, 1919, with interest at 5 per cent;

2. \$1,000,000 United States of America Fourth Liberty Loan $4\frac{1}{4}\%$ Bonds due 1938, now subject to collateral pledge with Guaranty Trust Company of New York to secure the payment of the collateral note of the party of the first part for \$980,000, payable July 25, 1919, with interest @ $4\frac{1}{4}\%$;

3. All right, title and interest of the party of the first part in and to the net proceeds up to \$500,000, collected by S. B. Hale & Co. and to be hereafter collected by S. B. Hale & Co. from and on account of property held by S. B. Hale & Co. acting as agent for the party of the first part in and to the property in the Argentine Republic known as the "Sierra de la Ventana."

Subject, Nevertheless, as to each of the three items of property herein assigned, transferred and delivered upon the express condition that they shall become chargeable with the debt of the party of the first part incurred to acquire the aforesaid \$1,600,000 of United States of America Liberty Bonds as evidenced by the collateral notes hereinbefore described.

Second. The trust estate shall expressly assume the indebtedness of the party of the first part upon the said notes aggregating \$1,550,000, in so far as the property received [fol. 114] and to be received pursuant to this supplemental indenture will be sufficient to satisfy the same, the Trustee expressly repudiating any affirmative obligation to pay the same except out of the proceeds of property acquired pursuant to this supplemental indenture, unless the Trustee shall deem it advisable to acquire the aforesaid \$1,600,000 Liberty Bonds, or any part thereof, free of all lien, by means of the proceeds of investments paid or from the sale or disposition of other securities belonging to the trust estate.

Third. In the event that the Trustee shall not deem it advisable to acquire the absolute title to said bonds free of the liens hereinbefore described, the Guaranty Trust Company of New York, in its capacity as holder of the said collateral notes of the party of the first part, and notwithstanding that it is the Trustee named herein and in said trusts, shall have full right and authority to sell the aforesaid bonds at public or private sale pursuant to its contractual rights as pledgee thereof under collateral note agreements, and to collect from the party of the first part any deficiency on the said notes resulting therefrom, the obligation of the party of the first part being continued for this express purpose, without reservation as to right to notice or days of grace.

Fourth. The party of the first part, for the purpose of securing to the trust estate the benefit of the assignment of the net proceeds of property realized upon by S. B. Hale & Co., as conveyed hereby, undertakes to secure and file with the Trustee an acceptance by S. B. Hale & Co. of the said assignment, the Trustee shall be under no obligation to bring suit or process of any kind against said S. B. Hale & Co. to collect any sums which may become payable under said assignment, or to account for any net

proceeds from the said property known as "Sierra de la Ventana," the party of the first part expressly reserving unto himself, his heirs and assigns all rights of accounting against S. B. Hale & Co. on account of the property in question.

The party of the first part may make advances to the Trustee in anticipation of any such net proceeds to be received from S. B. Hale & Co. and all such advances shall be deducted from the total amount of \$500,000 assigned hereby.

In all respects, except as modified by this supplemental indenture and the supplemental indentures hereinbefore referred to, the said indenture of December 24th, 1913, is hereby re-affirmed, the right to terminate or modify further being expressly reserved hereby.

[fol. 115] In Witness Whereof, the party of the first part has hereunto set his hand and seal, and the party of the second part has caused these presents to be signed by its Vice-President, the day and year first above written.

C. H. Sanford, (Seal). Guaranty Trust Company
of New York, By Jas. L. O'Neill, Vice-President.

Attest: H. A. Duncan, Assistant Secretary.

(Seal)

STATE OF NEW YORK,

County of New York, ss:

On this 24th day of May, 1919, personally appeared before me Charles Henry Sanford, to me known and known to me to be the person described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

A. E. Burke, Notary Public, New York County. New York County Clerk's No. 356. New York Register's No. 10024. My Commission Expires Mar. 30, 1920.

(Seal)

[fol. 116] STATE OF NEW YORK,

County of New York, ss:

On the 24th day of May, in the year 1919, before me personally came Jas. L. O'Neill, to me known, who, being

referred to, the said Indenture of December 24, 1913, is hereby reaffirmed. The right to terminate or modify further being expressly reserved.

In Witness Whereof, the party of the first part has hereunto set his hand and seal, and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its President, the day and year first above written.

C. H. Sanford, (L. S.). Guaranty Trust Company of New York, by Jas. L. O'Neill, Vice-President.

Attest: H. R. Johnston, Assistant Secretary.

(Seal.)

[fol. 105] STATE OF NEW YORK,
County of New York, ss:

On this 28th day of June, 1918, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

J. A. Powers, Notary Public, Westchester County.
Certificate filed in New York County. County Clerk's No. 139. Register's No. 9124. My Commission expires Mar. 30, 1919.

(Seal.)

STATE OF NEW YORK,
County of New York, ss:

On this 28th day of June, 1918, before me personally came Jas. L. O'Neill, to me known, who, being by me duly sworn, did depose and say that he resides in Newark, N. J., and is one of the Vice-Presidents of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

J. A. Powers, Notary Public. Notary Public, Westchester County. Certificate filed in New York County. County Clerk's No. 139. Register's No. 9124. My Commission expires Mar. 30, 1919.

(Seal.)

[fol. 106] This Supplemental Indenture made this 16th day of August, in the year One thousand nine hundred and eighteen, Between, Charles Henry Sanford of Freehold, Monmouth County, State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part.

Witnesseth,

That Whereas by an Indenture dated December 24th, 1913, the party of the first part did create various trusts in property in which the party of the second part was made trustee and

Whereas the said Trust Indenture between the parties hereto dated December 24th, 1913, contained the following provisions:

"The party of the first part however reserves the right to terminate or modify any or all of the trusts created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part,"

and

Whereas, pursuant to the aforesaid right reserved to the party of the first part, there were executed supplemental indentures dated respectively February 15, 1916, September 6, 1916, August 17, 1917, December 9, 1917, and June 28, 1918, which instruments, together with this indenture are hereinafter for convenience described as supplements to the original indenture of trust, and

Whereas, pursuant to the provisions of the original indenture of trust dated December 24th, 1913, and the supplements thereto, there have been set up trusts in equal shares for the grandchildren of Charles Henry Sanford respectively known and described as Sarita Enriqueta Barclay, Georgina Frances Phipps, Herbert Sanford Ward and Rodney Sanford Ward, and the income from the trusts set apart for Herbert Sanford Ward and Rodney Sanford Ward, after payment of the share thereof on account of certain indebtedness, annuities, expenses and commissions of the

trustee, was payable as to Herbert Sanford Ward and Rodney Sanford Ward as follows:

“The sum of Two thousand five hundred dollars (\$2,500.) annually to the use of each of said minors by paying each of said sums during the minority of said grandchildren [fol. 107] respectively to Sarita Sanford Ward, daughter of the said Charles Henry Sanford, and to Herbert Fitz Edwin Ward, her husband, jointly and to the survivor of them for the support, maintenance and education of said minors, and if any of the said grandsons of Charles Henry Sanford shall attain the age of twenty-one years before said indebtedness shall be paid in full, then after applying out of the said income of such grandson's share after he shall attain twenty-one years of age to his use the sum of Two thousand five hundred dollars (\$2,500.) per annum until said indebtedness shall be paid in full; and after the aforesaid indebtedness is paid, in case any grandson before that time shall have attained the age of twenty-one years, but not the age of twenty-five years, then to apply the net income of the share of such grandson after reserving his proper proportion of said annuities and of the expenses and commissions of the Trustee to the use of said Sarita Sanford Ward and Herbert Fitz Edwin Ward jointly and to the survivor of them until said grandson shall attain the age of twenty-five years and thereafter to apply to the use of such grandson the whole of the aforesaid net income of his share, and to continue to apply the sum of Two thousand five hundred dollars. (\$2,500) annually as aforesaid to the use of each of said grandsons who shall be minors when said indebtedness is paid in full as aforesaid during their respective minorities and to accumulate during his minority the residue of each such minors' share of income after making the proper reductions for the payment of said annuities and trustee's expenses and commissions and as each such minor shall attain the age of twenty-one years, to pay over to him all of said accumulated income of the share of said trust property set apart or designated to him, and as each grandson shall attain twenty-one years of age thereafter, to apply to the use of the said Sarita Sanford Ward and Herbert Fitz Edwin Ward jointly and to the survivor of them all of the net income of his share of said property after reserving the proper proportion of said annuities and trustee's expenses and commissions until he

shall attain the age of twenty-five years and thereafter to apply to his use, after reserving the proper proportion of said annuities and trustee's expenses and commissions all of the income of his share."

and

Whereas the indebtedness referred to in the original Trust Indenture has been liquidated, and the said Charles [fol. 108] Henry Sanford desires that his grandsons Herbert Sanford Ward and Rodney Sanford Ward shall at this time receive the benefit of the income payable to said grandsons and that the provisions heretofore made for the accumulation of such income during their respective minorities shall cease to the end that the Trustee shall pay to the parent or parents of said grandsons the income which has and which hereafter will accrue during the minority of said grandchildren in the same manner as is in the original Indenture of Trust provided with respect to such income as may accrue for their account between the dates when they attain their respective majorities and the time when they shall attain the age of twenty-five years respectively.

Now Therefore pursuant to the power reserved to the party of the first part by said Indenture of Trust of December 24, 1913, the party of the first part by this supplemental indenture does hereby modify the provisions contained in said indenture of December 24, 1913, as amended by the supplements thereto in so far as they direct an accumulation of income during the minorities of said Herbert Sanford Ward and Rodney Sanford Ward to the end that the direction as to the payment of the income of their respective shares shall read as follows:

"and the income of the share of each of said grandsons of said Charles Henry Sanford, to wit, Herbert Sanford Ward and Rodney Sanford Ward, both of whom are now minors, after reserving his proper share of said annuities and of the expenses and commissions of the trustee, to the use of each of said minors by paying the same during their minorities and until such time as they shall have attained the age of twenty-five years respectively, to Sarita Sanford Ward daughter of said Charles Henry Sanford and Herbert Fitz-Edwin Ward, her husband, jointly and to the survivor of them for the support, maintenance and education of the

said grandsons until each grandson shall attain the age of twenty-five years and thereafter to pay to such grandson, after reserving the proper proportion of said annuities for trustee's expenses and commissions, all of the net income from his share."

In all respects save as modified by this supplemental indenture and the supplements hereinbefore referred to, the said Indenture of December 24th, 1913, is hereby reaffirmed, the right to terminate or modify further being expressly reserved hereby.

[fol. 109] In Witness Whereof, the party of the first part has hereunto set his hand and seal and the party of the second part has caused these presents to be signed by its President the day and the year first above written.

C. H. Sanford, Guaranty Trust Company of New York, by F. J. H. Sutton, Vice President.

(Seal.)

Attest: H. R. Johnston, Assistant Secretary.

STATE OF NEW YORK,

County of New York, ss:

On the 16th day of August, 1918, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

A. E. Burke, Notary Public, New York County. New York County Clerk's No. 356. New York Register's No. 10024. My Commission Expires Mar. 30, 1920.

[fol. 110] STATE OF NEW YORK,

County of New York, ss:

On the 16th day of August in the year 1918, before me personally came

to me known, who, being by me duly sworn, did depose and say that he resided in New York, N. Y.; that he is the Vice President of Guaranty Trust Company of New York, the corporation described in and which executed the above instrument; that he knew the seal of said corporation; that the seal affixed to said instrument was such corporate seal;

that he was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

A. E. Burke, Notary Public, New York County. New York County Clerk's No. 356. New York Register's No. 10024. My Commission Expires Mar. 30, 1920.

[fol. 111]

October 10, 1918.

GUARANTY TRUST COMPANY OF NEW YORK,
140 Broadway, New York City.

Gentlemen:

You are Trustee under Trust Indenture dated December 24, 1913, to which agreement certain agreements supplemental thereto have been executed on various dates, to wit:

February	15, 1916
September	6, 1916
August	17, 1917
December	19, 1917
June	28, 1918
August	16, 1918

In the Supplemental Indenture dated December 19, 1917 certain securities were added to the Trust Estate, but such addition was made subject to the payment, out of the income of the property added, of certain indebtedness then amounting to \$466,019.73 with interest thereon from December 19, 1917, which indebtedness had been incurred in purchase or acquisition of certain of the securities then transferred to the Trustee.

The Supplemental Indenture of December 19, 1917 also provided that the payment of a certain annuity of \$50,000, payable to my wife, Emily Austin Sanford, was to be postponed until the liquidation and payment in full of the indebtedness before referred to.

I have this day added to the property held in trust by you, the sum of \$409,108.73, which addition has been made expressly upon the condition that the same be used to liquidate and pay in full the remaining indebtedness chargeable against property held by you as Trustee, to the end that the Trust Estate be free of all debt and the income therefrom shall become immediately due and payable to the various

by me duly sworn, did depose and say that he resides in Newark, N. J., that he is a Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

J. A. Powers, Notary Public, Westchester County.
 Certificate filed in New York County. County
 Clerk's No. 17. Register's No. 1159. My Com-
 mission Expires Mar. 30, 1921.

(Seal)

[fol. 117]

Original

[Charles H. Sanford to Guaranty Trust Company of New
 York]

(May 23, 1919)

GUARANTY TRUST COMPANY OF NEW YORK;
 140 Broadway, New York City.

Gentlemen:

This day I have executed a supplemental Indenture of Trust to modify the Trust Indenture executed by myself and yourselves December 24, 1913, and prior Supplemental Indentures with respect to the same.

This letter is intended to serve as an explanation of the transaction.

The Supplemental Indenture of Trust transfers among other things certain United States Liberty Bonds to yourselves as Trustee, said Bonds being pledged as security for my collateral notes in an amount less than the face of said Liberty Bonds.

I take this step because I contemplate going to Europe and I wish to provide automatically for the re-investment of certain securities belonging to the trust estate when said securities become due and payable, also to automatically arrange for the investment of the net proceeds of certain property in Argentine Republic known as "Sierra de la Ventana," which net proceeds are also assigned by the supplemental indenture of trust.

These Liberty Bonds were subscribed for by me as a matter of patriotism pursuant to banking arrangements made at the time of public subscription therefor. By the supplemental indenture it is intended that the principal net addition to the trust estate will be the amount to be received from S. B. Hale & Co. as the net proceeds of realization from the property "Sierra de la Ventana."

In this transaction I realize that your institution, as holder of my collateral notes, representing my indebtedness incurred to acquire the aforesaid Liberty Bonds, must be protected. In view, therefore, of the slight margin between the amount of my indebtedness on account of such purchase of Bonds and the principal amount of the Bonds, [fol. 118] additional cash should be actually received by the trust estate before the Bonds are taken up and discharged from the lien of my collateral notes. The time when money will be received from S. B. Hale & Co. on account of the property in Argentine Republic is unknown.

It is contemplated that among the securities in the trust estate, \$50,000 of Bonds of the New York Central Railroad will become due and payable in January, 1920, and that \$1,000,000 of Anglo-French Bonds will become due and payable in April, 1920. When, pursuant to such maturities, reinvestments are made, it is my desire that an equal principal amount of United States Liberty Bonds shall replace such matured investments, and that to the extent of such replacement they shall be held free from the lien created by my collateral notes. I realize further that there should be a substantial margin of market value in such bonds to enable you as trustee to discharge such bonds or portions thereof from the lien of such collateral notes, and before this time I confidently believe that substantial sums, at least equal to \$35,000, will have been realized from S. B. Hale & Co. In the event that such sum of \$35,000 is not received before the required time, I do hereby undertake to advance to the trust estate such sum of \$35,000 the same to serve as an offset or deduction from the total sum of \$500,000, to be received from S. B. Hale & Co. as the net proceeds from the property known as "Sierra de la Ventana."

Further, it is understood that my obligation upon the notes shall continue and that I will arrange for their renewal by my duly authorized power of attorney to the end that the Guaranty Trust Company of New York as holder

The above items as to New York City Corporate Stock and Anglo-French Bonds are subject to the indebtedness incurred in their purchase and acquisition, with interest thereon from December 19th, 1917.

C. H. Sanford.

[fol. 103] This Supplemental Indenture made the 28th day of June, in the year One thousand nine hundred and eighteen, between Charles Henry Sanford, of Freehold, Monmouth County, State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part,

Witnesseth:

That, Whereas, by an Indenture dated the 24th day of December, 1913, the party of the first part did create various trusts in property in which the party of the second part was made Trustee; and,

Whereas, the aforesaid Indenture contained a provision whereby the party of the first part reserved the right from time to time to add to the corpus of the trust; and,

Whereas, the said Trust Indenture between the parties hereto dated December 24, 1913, contained the following provision:

"The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part;"

and,

Whereas, pursuant to the aforesaid right reserved to the said party of the first part, there were executed Supplemental Indentures dated respectively February 15, 1916, September 6, 1916, August 17, 1917, and December 19, 1917, which instruments together with this Indenture are hereinafter, for convenience, described as supplements to the original Indenture of Trust, the party of the first part desires to terminate or modify the trusts existing pursuant

to the instruments above mentioned, in the following particulars, to wit:

1. To modify that provision of the Supplemental Indenture dated August 17th, 1917, which creates an annuity to Mrs. Anna Grace Naquin, a daughter of Sara Elizabeth Wyckoff.

2. To add to the existing trust estates the sum of \$2,353.06 in cash upon and subject to conditions.

[fol. 104] Now, therefore, the party of the first part does hereby terminate or modify the trusts created by said instruments as follows:

First. The party of the first part does hereby modify the provision of the Supplemental Indenture dated August 17th, 1917, describing, and limiting the annuity payable to Mrs. Anna Grace Naquin, a daughter of Sara Elizabeth Wyckoff, so that the same shall now read as follows:

"To Mrs. Anna Grace Naquin, a daughter of Sara Elizabeth Wyckoff, an annuity of one thousand dollars (\$1,000) during her lifetime, and should she die before the younger of her two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their respective minorities, by paying the amount thereof to Sarah Elizabeth Wyckoff and Mabel Wyckoff, jointly and severally, for the support of said minors."

Second. The party of the first part does hereby add to and increase the total corpus of the existing trust estates the sum of \$2,353.06 in cash conditional upon and subject to the immediate application by the Trustee of the said sum to the complete liquidation and final discharge of the entire balance due to the party of the second part for or on account of the indebtedness due the party of the second part at the time of the original Indenture dated December 24, 1913, and referred to therein to the end that the only remaining charge as to which any income may be subject hereafter shall be the indebtedness assumed at the time of the additions and increase to the trust estates pursuant to the Supplemental Indenture dated December 19, 1917.

In all respects, save as modified by this Supplemental Indenture and the Supplemental Indentures hereinbefore

her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks a receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

In all other respects except as modified by this Supplemental Indenture and the Supplemental Indentures herein [fol. 129] before referred to the said Indenture of September 24, 1913 is hereby reaffirmed and ratified especially including the right of the party of the first part to modify any or all of the trusts originally created or modified by said Supplemental Indentures aforesaid.

In Witness Whereof the party of the first part has hereunto set his hand and seal and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its Vice-President the day and year first above written.

C. H. Sanford, Guaranty Trust Company of New York, by Frederick J. H. Sutton, Vice-President.

Attest: H. D. Quinby, Assistant Secretary.
(Seal.)

STATE OF NEW YORK,
County of New York, ss:

On this 25th day of November 1921 before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Richard H. Parks, Notary Public, Queens County No. 413. Certificate filed in New York County No. 164. New York County Register's No. 2139. Certificate filed in Kings County No. 67. Kings County Register's No. 2059. Commission Expires March 30, 1922.

(Seal.)

[fol. 130] STATE OF NEW YORK,
County of New York, ss:

On this 25th day of November, 1921 before me personally came Frederick J. H. Sutton, who being by me duly sworn

did depose and say: that he resides at 15 East 10th Street, Borough of Manhattan, City of New York, that he is a Vice-President of Guaranty Trust Company of New York the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal and that it was so affixed by order of its Board of Directors and that he signed his name thereto by like order.

(Sgd.) Richard H. Parks, Notary Public, Queens County No. 413. Certificate filed in New York County No. 164. New York County Register's No. 2139. Certificate filed in Kings County No. 67. Kings County Register's No. 2059. Commission Expires March 30, 1922.

(Seal.)

[fol. 131] This Supplemental Indenture made the 20th day of November in the year One thousand nine hundred and twenty-two, between Charles Henry Sanford of Freehold, Monmouth County, State of New Jersey, party of the first part and Guaranty Trust Company of New York, (hereinafter for convenience termed the "Trustee"), a corporation organized and existing under the laws of the State of New York,

Witnesseth, That Whereas by Indenture dated the 24th day of December, 1913, between the parties hereto, the party of the first part did create various trusts in property, of which the party of the second part was made Trustee, and,

Whereas Indentures supplemental thereto have been executed by the said parties respectively dated February 15, 1916, September 6, 1916, August 17, 1917, December 19, 1917, June 28, 1918, August 16, 1918, May 23, 1919, November 26, 1919, March 16, 1920, November 25, 1921, by which Supplemental Indentures (which together with the Indenture of December 24, 1913 are hereinafter for convenience termed the "Trust Indentures") additions to the trusts created by the Indenture of December 24, 1913 have been made by the party of the first part, modifications have been made with respect to such trusts pursuant to the right reserved in the party of the first part by the terms of the Trust Indentures, and,

Whereas pursuant to said Trust Indentures the corpus of one of the trusts thereby created have heretofore become

of said notes shall be fully paid, I being liable for any deficit upon any sale of such Liberty Bonds held as collateral therefor.

Very truly yours, C. H. Sanford.

[fol. 119] SAMUEL B. HALE-COMPANY, LIMITED

Buenos Aires, July 17th, 1913.

GUARANTY TRUST COMPANY OF NEW YORK,
140 Broadway, New York.

Gentlemen:

We are acting as agents for Charles H. Sanford in the matter of realizing upon certain property in the Argentine Republic known as Sierra de la Ventana, consisting at present of about 9,900 (nine thousand nine hundred) hectares and a fully furnished Hotel with 100 (One hundred) rooms.

Mr. Sanford has directed us to turn over to you, as Trustees under a certain trust indenture dated December 24th, 1913, and supplements thereto, all the net proceeds arising from our transactions of realization upon said property, up to Five hundred thousand dollars (\$500,000.—).

This letter will serve as our acceptance of Mr. Sanford's directions to make such payments to you.

We remain, Dear Sirs,

Yours faithfully, J. Hale Pearson, President.

A. H. Pasmaul, Secretary.

[fol. 120] This Supplemental Indenture made the 26th day of November in the year One thousand nine hundred and nineteen, between Charles Henry Sanford, of Freehold, Monmouth County, State of New Jersey, party of the first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part,

Witnesseth

That Whereas, by an indenture dated the 24th day of December, 1913, the party of the first part did create various trusts in property in which the party of the second part was made Trustee; and,

Whereas, the said Trust Indenture between the parties hereto dated December 24, 1913, contained the following provision:

"The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part;"

and,

Whereas, pursuant to the aforesaid right reserved to the said party of the first part, there were executed Supplemental Indentures dated respectively February 15, 1916, September 6, 1916, August 17, 1917, December 19, 1917, June 28, 1918, August 16, 1918, and May 23, 1919; and

Whereas, the party of the first part desires to modify the above-quoted provision;

Now, Therefore, the party of the first part does hereby modify the same so that the said clause shall read as follows:

"The party of the first part, however, reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York, and filed with the party of the second part; but this right of modification, however, [fol. 121] shall in no way be deemed or construed to include any right or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument."

In all respects, save as modified by this supplemental indenture and the supplemental indentures hereinbefore referred to, the said Indenture of December 24, 1913, is hereby reaffirmed.

In Witness Whereof, the party of the first part has hereunto set his hand and seal, the day and year first above written, and the party of the second part has caused its corporate

seal to be hereunto affixed and these presents to be signed by its Vice-President, this 15th day of December, 1919.

C. H. Sanford (L. S.). Guaranty Trust Company of New York, by M. P. Callaway, Vice-President.

Attest: E. P. Davis, Assistant Secretary.
(Seal)

UNITED KINGDOM OF GREAT BRITAIN AND IRELAND,
City of London, ss:

On this 26th day of November, 1919, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

31997, R. Westacott, Vice Consul of the United States of America at London, England.

(Seal)

American
Consular Serv.
Stamp—Cancelled

[fol. 122] STATE OF NEW YORK,
County of New York, ss:

On this 15th day of November, 1919, before me personally came M. P. Callaway, to me known, who, being by me duly sworn, did depose and say that he resides in New York, N. Y., and is the Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation; and that he signed his name thereto by like order.

J. A. Powers, Notary Public, Westchester County.
Certificate filed in New York County. County
Clerk's No. 17. Register's No. 1159. My Commission Expires March 30, 1921.

(Seal)

[fol. 123] This Supplemental Indenture made the 16th day of March, 1920, between Charles Henry Sanford of Freehold, Monmouth County, State of New Jersey, party of the

first part, and Guaranty Trust Company of New York, a corporation organized and existing under the laws of the State of New York, party of the second part, witnesseth that

Whereas, by an indenture dated the 24th day of December, 1913, the party of the first part did create various trusts in property of which the party of second part was made trustee and

Whereas, pursuant to authority contained in said trust indenture dated December 24th, 1913, various supplemental indentures modifying the terms of said indenture were executed, bearing the dates respectively: February 15th, 1916; September 6th, 1916; August 17th, 1917; December 19th, 1917; June 28th, 1918; August 16th, 1918; May 23rd, 1919 and November 26th, 1919, and,

Whereas, pursuant to the last mentioned supplemental indenture bearing date November 26th, 1919 the clause in the original indenture defining the right of modification reserved to the party of the first part, was modified so as to read as follows:

"The party of the first part, however, reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York, and filed with the party of the second part; but this right or modification, however, shall in no way be deemed or construed to include any right or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument."

Whereas, a certain annuity payable to Emily A. Sanford was directed in the original indenture of trust to be postponed and not paid to the Beneficiary until certain then existing indebtedness against securities in the trust had been liquidated, and,

Whereas, the indebtedness referred to in the original indenture dated December 24th, 1913, was actually liquidated and subsequent thereto further securities were acquired subject to indebtedness as defined in the supplemental indenture dated December 19th, 1917, and pursuant to which supplemental indenture the payment of said annuity to

I thoroughly understand and approve the transaction and release you from all liability for any action taken by you pursuant thereto.

Very truly yours, Emily A. Sanford.

[fol. 127] This Supplemental Indenture made the 25th day of November, 1921, between Charles Henry Sanford of Freehold, Monmouth County, State of New Jersey, party of the first part and Guaranty Trust Company of New York, a corporation existing under the Laws of the State of New York, party of the second part,

Witnesseth, That Whereas by indenture dated the 24th day of December, 1913, the party of the first part did create various trusts in property, of which the party of the second part was made Trustee, and,

Whereas the said Trust Indenture between the parties hereto dated December 24, 1913, contains the following provision:

"The party of the first part, however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the Laws of the State of New York and filed with the party of the second part."

and,

Whereas pursuant to the aforesaid right reserved to the party of the first part there were executed Supplemental Indentures, dated respectively, February 15, 1916, September 6, 1916, August 17, 1917, December 19, 1917, June 28, 1918, August 16, 1918, May 23, 1919, November 26, 1919, and March 16, 1920, which instruments together with this Indenture are hereinafter for convenience described as supplements to the original Indenture of trust, and,

Whereas by the Supplemental Indenture, dated November 26, 1919, the provision above quoted was modified so as to read as follows:

"The party of the first part, however, reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and

duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part; but this right of modification, however, shall in no way be deemed or construed to include any rights or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument."

and,

Whereas pursuant to the terms of the trust existing under and by virtue of the instruments hereinbefore recited certain annuities are made prior charges against the payment of income to the life tenants under four separate trusts for the lives respectively of the four surviving grandchildren of the party of the first part, to wit: Sarita Enriqueta Barclay; Frances Georgina Phipps; Herbert Sanford Ward and Rodney Sanford Ward, and,

Whereas it is the desire of the party of the first part to modify further the trusts created by constituting two certain annuities as a further prior charge against the income payable out of the trusts aforesaid,

Now, Therefore, the party of the first part does hereby modify the provisions of the said trusts to the extent that said party of the first part does hereby direct that the following additional annuities shall become immediately payable as a charge proportionately against the income arising from the said four trusts prior to the income payable to Sarita Enriqueta Barclay; Frances Georgina Phipps; Herbert Sanford Ward and Rodney Sanford Ward, said additional annuities being directed to be paid as follows:

(a) \$500 per annum to Rev. Frank R. Symmes of Freehold, N. J., payable in one installment annually, commencing January 1, 1922 and on each January 1st thereafter during his life without restriction or limitation as to its use or application.

(b) \$500 per annum to Eunice Stokes Cocks, daughter of Gertrude S. Cocks, now residing at 44 West 10th Street, Borough of Manhattan, City of New York, which sum shall be paid January 1, 1922 and on each January 1st thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be applied for

payable to the party of the first part who thereupon conveyed the property constituting the corpus thereof to the remaining trusts, and,

Whereas Rodney Sanford Ward, one of the trust beneficiaries died on the 16th day of September 1922 without leaving any child or children or descendants and the Trustee does hold as part of the trust created for the life of said Rodney Sanford Ward securities in accordance with the annexed statement designated as "Exhibit 1", the same being now payable to the party of the first part hereto, pursuant to the terms of the Trust Indentures who desires likewise to add the property constituting the corpus of such trust to the corpus of certain of the remaining trusts, and,

Whereas the party of the first part desires to make certain further modifications pursuant to the power reserved to him,

[fol. 132] Now, Therefore, and pursuant to the power reserved to the party of the first part by the Trust Indentures, the party of the first part by this Supplemental Indenture does hereby grant, bargain, sell, assign, transfer and set over unto the Trustee and to its successors and assigns the property described upon the list hereto annexed marked "Exhibit 1" and signed by the party of the first part together with all and singular the estate, interest, property claim and demand of the party of the first part thereunto belonging or in anywise appertaining, subject nevertheless to the terms and conditions hereinafter stated.

The party of the first part by his signature to the schedules A. B. C. and D., also hereunto annexed, does identify and hereby confirm his previous conveyance to the Trustee of the property respectively described upon said schedules, of which schedules B. C. and D. contain a distribution of the additional property this day conveyed to the Trustee and described upon Exhibit 1, hereto annexed. Said schedules A. B. C. and D. respectively describe the present corpus and principal of the four trusts respectively created and for convenience therein and hereinafter described as "Colville Herbert Sanford-Barclay Trust," "Sarita E. Barclay Trust," "Frances G. Phipps Trust" and "Herbert Sanford Ward Trust." And the party of the first part does hereby ratify each and every act of the Trustee heretofore taken with respect to the investments in said schedules described,

and with respect to all other acts of the Trustee pursuant to the Trust Indentures.

The terms and conditions upon which the property herein and heretofore granted, bargained, sold, assigned, transferred and set over unto the Trustee are hereby modified so that the same shall now read as follows:

"To Have and to Hold the property described as the 'Colville Herbert Sanford Barclay Trust' upon Schedule A, hereto annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and accumulate the said income, interest and profits for the benefit of Colville Herbert Sanford Barclay, a great-grandson of the party of the first part, until the said Colville Herbert Sanford Barclay shall attain the age of twenty-one years and then to pay over to him the property in whatever form it may be at that time invested and all accumulations of said income, and if he shall die before attaining the age of twenty-one years, then upon his death to pay over the said Trust Fund and all accumulations thereof to his eldest brother then living, and if there shall be no brother of his [fol. 133] living at that time, then to pay over and distribute the said principal sum and all accumulated income thereof to and among the nephews and nieces then living of the party of the first part in equal shares and to the descendants of any deceased nephew or niece, *per stirpes* and not *per capita*, the share which would have been taken by such deceased nephew or niece if living, except that the share of Addison Star Sanford, one of said nephews shall be paid to his wife, or if she be dead to her descendants *per stirpes* and not *per capita*.

To Have and to Hold the property described as the 'Sarita E. Barclay Trust', upon Schedule B., hereto annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and out of the said income during the natural life of Sarita E. Barclay, to pay the following annuities as hereinafter provided, namely, to

(1) Emily A. Sanford, (the wife of the party of the first part) an annuity of \$17,000 payable quarterly during her natural life. Until different instructions are received from Emily A. Sanford all payments are to be made to the Freehold Trust Company for deposit to the credit of her account

[fol. 124] Emily A. Sanford was further postponed until the liquidation of the then existing indebtedness against the securities acquired by the trust pursuant to such last mentioned supplemental indenture and

Whereas, the specific indebtedness last above referred to was subsequently liquidated whereupon the annuity payable to said Emily A. Sanford was actually paid as the same accrued and has so been continued to be paid as accrued up to January 1st, 1920.

Now, Therefore the party of the first part does hereby modify the trust created by the indenture of December 24th, 1913, and the various supplemental indentures hereinbefore recited to the end that the annuity payable quarterly thereunder to said Emily A. Sanford shall be further postponed and payment thereof suspended until the first quarter following the date of death of the party of the first part or until further modification with respect to the same pursuant to the power reserved to the party of the first part and that no income under said annuity shall accrue in favor of said Emily A. Sanford until the time of payment hereinbefore directed. In all respects save as modified by this supplemental indenture and the supplemental indentures hereinbefore referred to the said indenture of December 24th, 1913, including the right of modification reserved in the supplemental indenture of November 26th, 1919, is hereby reaffirmed.

In Witness Whereof the party of the first part has set his hand and seal the date above written and the party of the second part has caused its corporate seal to be hereunto affixed and these presents to be signed by its Vice-President this 16th day of March, 1920.

C. H. Sanford (L. S.). Guaranty Trust Company of
New York, by F. J. H. Sutton, Vice-President.

(Seal)

Attest: C. M. Schmidt, Assistant Secretary.

[fol. 125] UNITED KINGDOM OF GREAT BRITAIN AND IRELAND,
City of London, England:

On this 25th day of May, 1920, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the fore-

going instrument and he duly acknowledged to me that he executed the same.

No. 6175, R. Westacott, Vice Consul for the United States of America at London, England. (Seal)

American
Consular Serv.
Stamp—Cancelled

STATE OF NEW YORK,
County of New York, ss:

On this 20th day of August, 1920, before me personally came E. J. H. Sutton, to me known, who, being by me duly sworn did depose and say that he resides in the County of New York and is the Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

R. A. Watson, Notary Public. New York County Clerk's No. 389. New York County Register's No. 1477. Bronx County Clerk's No. 41. Bronx County 30, 1921.

(Seal)

[fol. 126]

Dated March 16, 1920.

Guaranty Trust Company of New York, 140 Broadway,
New York, N. Y.

GENTLEMEN:

Referring to annuity payable to me pursuant to the indenture of trust dated December 24, 1913, executed by Charles H. Sanford and yourself as trustee, and the various indentures supplemental thereto, I have examined the further supplemental indenture executed this day by Charles H. Sanford, the purport whereof is to suspend the payment and accrual of an annuity in my favor until the quarter following the death of Charles H. Sanford or further modification by said Charles H. Sanford with respect to the said annuity.

and the receipt of said Trust Company shall be full acquittance to the Trustee.

(2) Mary Elizabeth Sanford, an annuity of \$1,000 payable quarterly during her natural life.

(3) Delia Sanford, (daughter of Mary Elizabeth Sanford) an annuity of \$300 payable quarterly during her natural life.

(4) Sarah Elizabeth Wyckoff, (a sister of the party of the first part) an annuity of \$1,300 during her natural life.

(5) Anna Grace Naquin, (a daughter of Sarah Elizabeth Wyckoff) an annuity of \$300 payable quarterly during her natural life, and should she die before the younger of her two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their minority, the amount thereof to be paid to Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally for the support of said minors.

[fol. 134] (6) Mary Anna Miller, (a sister of the party of the first part) an annuity of \$1,300 payable quarterly during her natural life.

(7) Frederick J. Sanford, (a nephew of the party of the first part) and to his wife jointly, and to the survivor of them, an annuity of \$1,000 payable quarterly, for the purpose of aiding in the support of the mother, sisters and brothers of said Frederick J. Sanford; this annuity to terminate upon the death of the survivor of said Frederick J. Sanford and his wife.

(8) Mamie Crisp and Louis Crisp (daughter and son-in-law of William A. Sanford, a brother of the party of the first part) and to the survivor of them an annuity of \$500 payable quarterly to be used and applied for the benefit of their daughter Jeannette Crisp as long as she lives, and after her death the said annuity shall be paid the said Mamie Crisp and Louis Crisp, or the survivor of them during their natural lives, without restriction or limitations as to its use or application. The receipt of said Mamie Crisp and, or, Louis Crisp for such payments shall be full acquittance and discharge of the Trustee with respect to such payments.

(9) Joseph A. Sanford (a nephew of the party of the first part) an annuity of \$300 payable quarterly during his natural life.

(10) Jacob Horace Sanford (a nephew of the party of the first part) an annuity of \$500 payable quarterly during his natural life.

(11) Margaret Sanford (widow of Charles Sanford, son of William A. Sanford, an annuity of \$150 payable quarterly during her natural life.

(12) Jacob Vanzandt Wyckoff and his wife Neola Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) and to the survivor of them, an annuity of \$650 payable quarterly during their natural lives.

(13) Charles S. Wyckoff (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during his natural life.

(14) Mabel Wyckoff, (daughter of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during her natural life.

[fol. 135] (15) Frank Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during his natural life.

(16) John Henry Wyckoff and his wife Carrie Estelle Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) an annuity of \$300 payable quarterly and to the survivor of them during their natural lives.

(17) Charles S. Miller and Harriet Miller his wife (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$300 payable quarterly during their respective lives.

(18) Dr. James D. Miller (son of Annie Miller) an annuity of \$650 payable quarterly during his natural life, and upon his death such annuity to be continued to his wife Mona Miller during her natural life.

(19) Elizabeth Bates (daughter of Annie Miller) an annuity of \$400 payable quarterly during her natural life.

(20) Sarah F. Yard (daughter of Annie Miller) an annuity of \$300 payable quarterly during her natural life.

(21) Robert C. Miller and Frances Miller (son and daughter-in-law of Annie Miller) and to the survivor of

them, an annuity of \$1,000 payable quarterly during their natural lives.

(22) Daniel E. Sanford (son of Tylee Sanford) an annuity of \$300 payable quarterly during his natural life.

(23) Garrett T. Sanford and Emma Sanford (son and daughter-in-law of Tylee Sanford) and to the survivor of them, an annuity of \$1,200 payable quarterly during their natural lives.

(24) Margaret Irene Sanford (daughter-in-law of Tylee Sanford) an annuity of \$400 payable quarterly to be by her used and applied for the benefit of herself and family as she may see fit, during her natural life, and upon her death to continue the payments of said annuity to her husband Frank A. Sanford, during his natural life.

[fol. 136] (25) Henry P. Sanford and Viola Sanford (son and daughter-in-law of Tylee Sanford) and the survivor of them, an annuity of \$300 payable quarterly during their natural lives.

(26) Lizzie Henderson Sanford (daughter-in-law of Tylee Sanford) an annuity of \$500 payable quarterly, to be used and applied for the benefit of herself and family as she may see fit during her natural life, and upon her death to continue the payment of said annuity to her children in equal shares during their respective minorities.

(27) Ollie Cross (daughter of Tylee Sanford) wife of Milton Cross an annuity of \$300 payable quarterly during her natural life.

(28) Elizabeth Adams (daughter of Tylee Sanford) wife Eleigh Adams, an annuity of \$300 payable quarterly during her natural life.

(29) Elizabeth Sanford (widow of Tylee Sanford) an annuity of \$400 payable quarterly during her natural life.

(30) Louise Tilton, an annuity of \$500 payable quarterly during her natural life.

(31) James Billett (valet to the party of the first part) an annuity of \$200 payable quarterly during his natural life.

(32) Eunice Stokes Cocks (daughter of Gertrude S. Cocks) an annuity of \$200 per annum, which sum shall be

paid January 1, 1923 and on each January 1st thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be applied for her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks—receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(33) Rowland E. Cocks, Jr. (son of Gertrude S. Cocks), an annuity of \$150 per annum, which sum shall be paid January 1, 1923 and on each January 1st thereafter during the life of said Rowland E. Cocks, Jr., to Gertrude S. Cocks, [fol. 137] mother of said Rowland E. Cocks, Jr., to be applied for his benefit during his minority and thereafter to be paid directly to said Rowland E. Cocks, Jr., during his natural life. During the minority of said Rowland E. Cocks, Jr., receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(34) Reverend Frank R. Symmes and to Elizabeth J. Symmes, his wife, and to the survivor of them of Freehold, N. J., an annuity of \$300 per annum payable quarterly during their natural lives,

(35) Alfred Bird (secretary to the party of the first part) an annuity of \$650 payable quarterly during his natural life, or until such time as the party of the first part, or his wife, Emily A. Sanford shall notify the Trustee that said Alfred Bird is no longer in his or her employ, or is not rendering satisfactory service as such employee.

(36) Muriel Jane Bird (daughter of Alfred Bird) an annuity of \$300 payable quarterly during her natural life. Such annuity, however, is not to commence until the death of said Alfred Bird, nor unless said Alfred Bird was in the employ of the party of the first part, or his wife Emily A. Sanford at the time of said Alfred Bird's death, it being intended that said annuity shall be a continuation in a reduced amount of the annuity formerly payable to her father, Alfred Bird.

And, after payment of said annuities together with the expenses and commissions of the said Trustee to apply the

residue of the net income to the use of Sarita E. Barclay during the time of her natural life. Upon the death of the said Sarita E. Barclay, there shall be excepted and reserved from the corpus of the trust fund theretofore held as the Sarita E. Barclay Trust:

(1) Such sums as in the unrestricted judgment and discretion of the Trustee may be necessary to purchase equivalent annuities for each of the persons then surviving to whom an annuity has been granted and made a prior charge against the income aforesaid, or in lieu thereof such sums, as the Trustee may deem necessary to commute and satisfy such equivalent annuities, full power and discretion being hereby vested in the Trustee to make such settlement or to [fol. 138] effect such arrangement for the satisfaction of such annuities.

(2) The sum of \$50,000 should said Sarita E. Barclay be survived by her husband, Sir Colville Barclay, which sum the Trustee is in that event directed to pay to said Sir Colville Barclay upon the death of said Sarita E. Barclay.

and after making such exceptions and reservations, the resultant remainder shall be paid over to the descendants of the said Sarita E. Barclay then living in equal shares *per stirpes* and not *per capita*. In the event that the said Sarita E. Barclay shall die, leaving no descendants her surviving, then to pay over the resultant remainder to the party of the first part should he be living, and, if dead, to distribute the same in equal shares among the descendants of the party of the first part *per stirpes* and not *per capita*.

In making such payments and distribution to the former annuitants aforesaid or to the remaindermen above described, the Trustee is authorized to use and deliver in kind the assets held in the corpus of the said Sarita E. Barclay Trust, in whatever form it may be at that time invested.

To Have and to Hold the property described as the 'Frances G. Phipps Trust', upon Schedule C, hereto annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and out of the said income during the natural life of Frances G. Phipps to pay the following annuities as hereinafter provided, namely, to

(1) Emily A. Sanford, (the wife of the party of the first part) an annuity of \$17,000 payable quarterly during her natural life. Until different instructions are received from Emily A. Sanford all payments are to be made to the Freehold Trust Company for deposit to the credit of her account and the receipt of said Trust Company shall be full acquittance to the Trustee.

(2) Mary Elizabeth Sanford, an annuity of \$1,000 payable quarterly during her natural life.

(3) Delia Sanford (daughter of Mary Elizabeth Sanford) an annuity of \$300 payable quarterly during her natural life.

[fol. 139] (4) Sarah Elizabeth Wyckoff, (a sister of the party of the first part) an annuity of \$1,300 during her natural life.

(5) Anna Grace Naquin, (a daughter of Sarah Elizabeth Wyckoff) an annuity of \$300 payable quarterly during her natural life, and should she die before the younger of her two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their minority, the amount thereof to be paid to Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally for the support of said minors.

(6) Mary Anna Miller, (a sister of the party of the first part) an annuity of \$1,300 payable quarterly during her natural life.

(7) Frederick J. Sanford, (a nephew of the party of the first part) and to his wife jointly, and to the survivor of them, an annuity of \$1,000 payable quarterly, for the purpose of aiding in the support of the mother, sisters and brothers of said Frederick J. Sanford; this annuity to terminate upon the death of the survivor of said Frederick J. Sanford and his wife.

(8) Mamie Crisp and Louis Crisp (daughter and son-in-law of William A. Sanford, a brother of the party of the first part) and to the survivor of them an annuity of \$500 payable quarterly to be used and applied for the benefit of their daughter Jeannette Crisp as long as she lives,

and after her death the said annuity shall be paid the said Mamie Crisp and Louis Crisp, or the survivor of them during their natural lives without restriction or limitations as to its use or application. The receipt of said Mamie Crisp and, or, Louis Crisp for such payments shall be full acquittance and discharge of the Trustee with respect to such payments.

(9) Joseph A. Sanford, (a nephew of the party of the first part) an annuity of \$300 payable quarterly during his natural life.

(10) Jacob Horace Sanford, (a nephew of the party of the first part) an annuity of \$500 payable quarterly during his natural life.

[fol. 140] (11) Margaret Sanford, (widow of Charles Sanford, son of William A. Sanford) an annuity of \$150 payable quarterly during her natural life.

(12) Jacob Vanzandt Wyckoff and his wife Neola Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) and to the survivor of them, an annuity of \$650 payable quarterly during their natural lives.

(13) Charles S. Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during his natural life.

(14) Mabel Wyckoff, (daughter of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during her natural life.

(15) Frank Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during his natural life.

(16) John Henry Wyckoff and his wife Carrie Estelle Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) an annuity of \$300 payable quarterly and to the survivor of them during their natural lives.

(17) Charles S. Miller and Harriet Miller his wife (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$300 payable quarterly during their respective lives.

(18) Dr. James D. Miller, (son of Annie Miller) an annuity of \$650 payable quarterly during his natural life, and upon his death such annuity to be continued to his wife Mona Miller during her natural life.

(19) Elizabeth Bates, (daughter of Annie Miller) an annuity of \$300 payable quarterly during her natural life.

(20) Sarah F. Yard, (daughter of Annie Miller) an annuity of \$400 payable quarterly during her natural life.

(21) Robert C. Miller and Frances Miller, (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$1,000 payable quarterly during their natural lives.

[fol. 141] (22) Daniel E. Sanford, (son of Tylee Sanford) an annuity of \$400 payable quarterly during his natural life.

(23) Garrett T. Sanford and Emma Sanford, (son and daughter-in-law of Tylee Sanford) and to the survivor of them, an annuity of \$1,200 payable quarterly during their natural lives.

(24) Margaret Irene Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$300 payable quarterly to be by her used and applied for the benefit of herself and family as she may see fit, during her natural life, and upon her death to continue the payment of said annuity to her husband Frank A. Sanford, during his natural life.

(25) Henry P. Sanford and Viola Sanford, (son and daughter-in-law of Tylee Sanford) and the survivor of them, an annuity of \$300 payable quarterly during their natural lives.

(26) Lizzie Henderson Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$500 payable quarterly, to be used and applied for the benefit of herself and family as she may see fit during her natural life, and upon her death to continue the payment of said annuity to her children in equal shares during their respective minorities.

(27) Ollie Cross, (daughter of Tylee Sanford) wife of Milton Cross, an annuity of \$300 payable quarterly during her natural life.

(28) Elizabeth Adams, (daughter of Tylee Sanford) wife of Eleigh Adams, an annuity of \$400 payable quarterly.

(29) Elizabeth Sanford, (widow of Tylee Sanford) an annuity of \$300 payable quarterly during her natural life.

(30) Louise Tilton, an annuity of \$500 payable quarterly during her natural life.

(31) James Billett, (valet to the party of the first part) an annuity of \$200 payable quarterly during his natural life.

(32) Eunice Stokes Cocks, (daughter of Gertrude S. Cocks) an annuity of \$150 per annum, which sum shall be [fol. 142] paid January 1, 1923 and on each January 1st thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be applied for her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks—receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(33) Rowland E. Cocks, Jr., (son of Gertrude S. Cocks) an annuity of \$150 per annum, which sum shall be paid January 1, 1923 and on each January 1st thereafter during the life of said Rowland E. Cocks, Jr., to Gertrude S. Cocks, mother of Rowland E. Cocks, Jr., to be applied for his benefit during his minority and thereafter to be paid directly to said Rowland E. Cocks, Jr., during his natural life. During the minority of said Rowland E. Cocks, Jr.—receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(34) Reverend Frank R. Symmes and to Elizabeth J. Symmes his wife and to the survivor of them of Freehold, N. J., an annuity of \$350 per annum payable quarterly during their natural lives.

(35) Alfred Bird, (secretary to the party of the first part) an annuity of \$700 payable quarterly during his natural life, or until such time as the party of the first part, or his wife, Emily A. Sanford shall notify the Trustee that said Alfred Bird is no longer in his or her employ, or is not rendering satisfactory service as such employee.

(36) Muriel Jane Bird, (daughter of Alfred Bird) an annuity of \$350 payable quarterly during her natural life. Such annuity, however, is not to commence until the death of said Alfred Bird, nor unless said Alfred Bird was in the

employ of the party of the first part, or his wife Emily A. Sanford at the time of said Alfred Bird's death, it being intended that said annuity shall be a continuation in a reduced amount of the annuity formerly payable to her father Alfred Bird.

And after payment of said annuities together with the expenses and commissions of the said Trustee to apply the [fol. 143] residue of the net income to the use of Frances G. Phipps during the time of her natural life. Upon the death of said Frances G. Phipps there shall be excepted and reserved from the corpus of the trust fund theretofore held as the Frances G. Phipps Trust:

(1) Such sums as in the unrestricted judgment and discretion of the Trustee may be necessary to purchase equivalent annuities for each of the persons then surviving to whom an annuity has been granted and made a prior charge against the income aforesaid, or in lieu thereof such sums as the Trustee may deem necessary to commute and satisfy such equivalent annuities full power and discretion being hereby vested in the Trustee to make such settlement or to effect such arrangement for the satisfaction of such annuities.

(2) The sum of \$50,000 should said Frances G. Phipps be survived by her husband, Eric Phipps, which sum the Trustee is in that event directed to pay to said Eric Phipps upon the death of said Frances G. Phipps.

and after making such exceptions and reservations, the resultant remainder shall be paid over to the descendants of the said Frances G. Phipps then living in equal shares *per stirpes* and not *per capita*. In the event that the said Frances G. Phipps shall die, leaving no descendants her surviving, then to pay over the resultant remainder to the party of the first part should he be living, and, if dead, to distribute the same in equal shares among the descendants of the party of the first part *per stirpes* and not *per capita*.

In making such payments and distribution to the former annuitants aforesaid or to the remaindermen above described, the Trustee is authorized to use and deliver in kind the assets held in the corpus of the said Frances G. Phipps Trust, in whatever form it may be at that time invested.

To Have and to Hold the property described as the 'Herbert Sanford Ward Trust', upon Schedule D hereto

annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and out of the said income during the natural life of Herbert Sanford Ward to pay the following annuities as hereinafter provided, namely, to.

(1) Emily A. Sanford, (the wife of the party of the first part) an annuity of \$16,000 payable quarterly during her [fol. 144] natural life. Until different instructions are received from Emily A. Sanford all payments are to be made to the Freehold Trust Company for deposit to the credit of her account and the receipt of said Trust Company shall be full acquittance to the Trustee.

(2) Mary Elizabeth Sanford, an annuity of \$1,000 payable quarterly during her natural life.

(3) Delia Sanford, (daughter of Mary Elizabeth Sanford) an annuity of \$400 payable quarterly during her natural life.

(4) Sarah Elizabeth Wyckoff, (a sister of the party of the first part) an annuity of \$1,400 during her natural life.

(5) Anna Grace Naquin, (a daughter of Sarah Elizabeth Wyckoff) an annuity of \$400 payable quarterly during her natural life, and should she die before the younger of her two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their minority, the amount thereof to be paid to Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally for the support of said minors.

(6) Mary Anna Miller, (a sister of the party of the first part) an annuity of \$1,400 payable quarterly during her natural life.

(7) Frederick J. Sanford, (a nephew of the party of the first part) and to his wife jointly, and to the survivor of them, an annuity of \$1,000 payable quarterly, for the purpose of aiding in the support of the mother, sisters and brothers of said Frederick J. Sanford; this annuity to terminate upon the death of the survivor of said Frederick J. Sanford and his wife.

(8) Mamie Crisp and Louis Crisp, (daughter and son-in-law of William A. Sanford, a brother of the party of the first part) and to the survivor of them an annuity of \$500 payable quarterly to be used and applied for the benefit of their daughter, Jeannette Crisp, as long as she lives, and after her death the said annuity shall be paid the said Mamie [fol. 145] Crisp and Louis Crisp, or the survivor of them during their natural lives without restriction or limitations as to its use or application. The receipt of said Mamie Crisp and, or, Louis Crisp for such payments shall be full acquittance and discharge of the Trustee with respect to such payments.

(9) Joseph A. Sanford, (a nephew of the party of the first part) an annuity of \$400 payable quarterly during his natural life.

(10) Jacob Horace Sanford, (a nephew of the party of the first part) an annuity of \$500 payable quarterly during his natural life.

(11) Margaret Sanford, (widow of Charles Sanford, son of William A. Sanford) an annuity of \$200 payable quarterly during her natural life.

(12) Jacob Vanzandt Wyckoff and his wife Neola Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) and to the survivor of them, an annuity of \$700 payable quarterly during their natural lives.

(13) Charles S. Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$400 payable quarterly during his natural life.

(14) Mabel Wyckoff, (daughter of Sarah E. Wyckoff) an annuity of \$400 payable quarterly during her natural life.

(15) Frank Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$400 payable quarterly during his natural life.

(16) John Henry Wyckoff and his wife Carrie Estelle Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) an annuity of \$400 payable quarterly and to the survivor of them during their natural lives.

(17) Charles S. Miller and Harriet Miller his wife (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$400 payable quarterly during their respective lives.

(18) Dr. James D. Miller, (son of Annie Miller) an annuity of \$700 payable quarterly during his natural life, and [fol. 146] upon his death such annuity to be continued to his wife Mona Miller during her natural life.

(19) Elizabeth Bates, (daughter of Annie Miller) an annuity of \$300 payable quarterly during her natural life.

(20) Sarah F. Yard, (daughter of Annie Miller) an annuity of \$300 payable quarterly during her natural life.

(21) Robert C. Miller and Frances Miller, (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$1,000 payable quarterly during their natural lives.

(22) Daniel E. Sanford, (son of Tylee Sanford) an annuity of \$300 payable quarterly during his natural life.

(23) Garrett T. Sanford and Emma Sanford, (son and daughter-in-law of Tylee Sanford) and to the survivor of them, an annuity of \$1,100 payable quarterly during their natural lives.

(24) Margaret Irene Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$300 payable quarterly to be by her used and applied for the benefit of herself and family as she may see fit, during her natural life, and upon her death to continue the payment of said annuity to her husband Frank A. Sanford, during his natural life.

(25) Henry P. Sanford and Viola Sanford, (son and daughter-in-law of Tylee Sanford) and the survivor of them, an annuity of \$400 payable quarterly during their natural lives.

(26) Lizzie Henderson Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$500 payable quarterly, to be used and applied for the benefit of herself and family as she may see fit during her natural life, and upon her death to continue the payment of said annuity to her children in equal shares during their respective minorities.

(27) Ollie Cross, (daughter of Tylee Sanford) wife of Milton Cross, an annuity of \$400 payable quarterly during her natural life.

(28) Elizabeth Adams, (daughter of Tylee Sanford) wife [fol. 147] of Eleigh Adams, an annuity of \$300 payable quarterly during her natural life.

(29) Elizabeth Sanford, (widow of Tylee Sanford) an annuity of \$300 payable quarterly during her natural life.

(30) Louise Tilton, an annuity of \$500 payable quarterly during her natural life.

(31) James Billett, (valet to the party of the first part) an annuity of \$200 payable quarterly during his natural life.

(32) Eunice Stokes Cocks, (daughter of Gertrude S. Cocks) an annuity of \$150 per annum, which sum shall be paid January 1, 1923 and on each January 1st thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be applied for her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks—receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(33) Rowland E. Cocks, Jr., (son of Gertrude S. Cocks), an annuity of \$200 per annum, which sum shall be paid January 1, 1923 and on each January 1st thereafter during the life of said Rowland E. Cocks, Jr., to Gertrude S. Cocks, mother of said Rowland E. Cocks, Jr., to be applied for his benefit during his minority and thereafter to be paid directly to said Rowland E. Cocks, Jr., during his natural life. During the minority of said Rowland E. Cocks, Jr.—receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(34) Reverend Frank R. Symmes and to Elizabeth J. Symmes his wife and to the survivor of them of Freehold, N. J., an annuity of \$350 per annum payable quarterly during their natural lives.

(35) Alfred Bird, (secretary to the party of the first part) an annuity of \$650 payable quarterly during his natural life, or until such time as the party of the first part, [fol. 148] or his wife, Emily A. Sanford shall notify the Trustee that said Alfred Bird is no longer in his or her employ, or is not rendering satisfactory service as such employee.

(36) Mariel Jane Bird (daughter of Alfred Bird) an annuity of \$350 payable quarterly during her natural life.

Such annuity, however, is not to commence until the death of said Alfred Bird, nor unless said Alfred Bird was in the employ of the party of the first part, or his wife, Emily A. Sanford at the time of said Alfred Bird's death, it being intended that said annuity shall be a continuation in a reduced amount of the annuity formerly payable to her father, Alfred Bird.

And after payment of said annuities together with the expenses and commissions of said Trustee to apply the residue of the net income to the use of Herbert Sanford Ward during the time of his natural life. Upon the death of the said Herbert Sanford Ward there shall be excepted and reserved from the corpus of the trust fund theretofore held as the Herbert Sanford Ward Trust:

(1) Such sums as in the unrestricted judgment and discretion of the Trustee may be necessary to purchase equivalent annuities for each of the persons then surviving to whom an annuity has been granted and made a prior charge against the income aforesaid, or in lieu thereof such sums as the Trustee may deem necessary to commute and satisfy such equivalent annuities full power and discretion being hereby vested in the Trustee to make such settlement or to effect such arrangement for the satisfaction of such annuities.

(2) The sum of \$50,000 should said Herbert Sanford Ward be survived by his wife Joyce Ward, which sum the Trustee is in that event directed to pay to said Joyce Ward upon the death of said Herbert Sanford Ward.

and after making such exceptions and reservations, the resultant remainder shall be paid over to the descendants of the said Herbert Sanford Ward then living in equal shares per stirpes and not per capita. In the event that the said Herbert Sanford Ward shall die, leaving no descendants him surviving, then to pay over the resultant remainder to the party of the first part should he be living, and, if dead, to distribute the same in equal shares among the descendants of the party of the first part per stirpes and not per capita.

[fol. 149] In making such payments and distribution to the former annuitants aforesaid or to the remaindermen above described, the Trustee is authorized to use and de-

liver in kind the assets held in the corpus of the said Herbert Sanford Ward Trust, in whatever form it may be at that time invested.

Provided Always Nevertheless that as to each and every trust created hereunder the following provisions shall apply and govern:

1. It shall be lawful for the Trustee to continue to hold any investment, security or other property hereby granted or hereafter added to the trust estate unless the Trustee be directed in writing by the party of the first part to dispose of the same. Nevertheless, the Trustee is authorized to dispose of any investment, security or other property at public or private sale, or by exchange of securities, without direction from the party of the first part, but the Trustee shall not be liable for its failure to dispose of any such investment unless it be directed by the party of the first part to make such change of investment. The Trustee shall be protected with respect to all changes of investments by sale, exchange or reinvestment when its action has been taken pursuant to the written direction of the party of the first part, it being understood and agreed that both investments and reinvestments hereunder may be made in securities not permitted by law as trust investments, if such investments or reinvestments are made pursuant to the direction of the party of the first part.

Either with or without the written direction of the party of the first part, the Trustee may extend an investment which may become due, consent to the reorganization or consolidation of any corporation or sale to any other corporation or person of the property of any corporation, the stocks, bonds or other securities of which are at the time held by said Trustee, and likewise either with or without the written direction of the party of the first part, the Trustee may make exchanges of securities and do any act with reference thereto which the Trustee may deem necessary, proper or expedient, including the payment of moneys to enable the said Trustee to obtain the benefit of such reorganization, consolidation or sale of such stocks, bonds or other securities held by said Trustee, and to exercise any option for conversion or additional subscription extended by any such corporation, or in respect to any such stocks, bonds or other securities, and, either with or without such direction from the party of the first part, to make

MICRO CARD

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39



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[fol. 150] such conversions and subscriptions and to make any necessary payments therefor, and to hold such new securities in said trust without any liability on the part of the Trustee for any act by it taken in good faith, pursuant to the power to it herein granted.

During the lifetime of the party of the first part, the Trustee may execute full and unlimited proxies to exercise the voting powers upon any stock or securities, forming a part of the trust estates, to the party of the first part, or to such person or persons as the party of the first part may direct. After the death of the party of the first part, the Trustee may give such proxies to such person or persons as it in its discretion may select. The Trustee is authorized to continue any investment of which the Trust estates may consist at the time of the death of the party of the first part and after the death of the party of the first part, the Trustee may as to each and every such investments participate in reorganizations, consolidations, or exchanges pursuant to the refinancing of corporations whose securities form a part of the trust estates, applying if the Trustee deems it advisable, cash out of principal account for such purpose, and the Trustee may continue to hold the new securities issuable to it as the result of such participation. Except as to participation in such reorganizations, consolidations and exchanges aforesaid, the Trustee after the death of the party of the first part shall make all re-investments in such property and securities as are by the law of New York legal investments for Trustees.

The said Trustee shall be under no liability whatsoever for any loss which may arise from the exercise by the Trustee or its failure to exercise any of the powers herein contained.

2. The party of the first part may either in his lifetime or by last will and testament add to the property constituting the corpus of the respective trusts or of any of them such other property as he may from time to time transfer to the Trustee for that purpose and all such property so transferred in his lifetime shall be designated and described by suitable description thereof indicating the distribution of such property among the respective trusts over the signature of the party of the first part and shall thereupon become subject to all the trusts, powers and limitations hereinbefore expressed with regard to property constituting the respective trusts to which the same are to be added.

3. All income herein required to be distributed and paid over by the Trustee shall be distributed in quarter yearly [fol. 151] payments on the first day of January, April, July and October in each year at which time the annuity payments shall likewise be made, except in those cases where a different date of payment is expressly described in the foregoing clauses specifically providing for such annuity payments.

4. The Trustee shall receive in full for its compensation for acting as Trustee of the trusts herein created in addition to its necessary expenses, a commission at the rate of One per cent (1%) on the amount of all income received by it and a commission of one-half of one per cent ($\frac{1}{2}$ of 1%) on each distribution or other payment of capital.

5. The Trustee shall not be responsible for any diminution of the trust estates resulting from depreciation of securities or property in which it shall have been invested in good faith, and the Trustee shall not be responsible for mistakes or errors in judgment, but shall be responsible only for fraud or wilful misconduct of the Trustee, its officers and agents.

6. With respect to each and every annuity hereinbefore recited to be paid for the benefit of any person other than the person to whom the same shall be payable the Trustee shall be under no duty whatsoever to see to the application thereof by any person to whom such annuity is directed to be paid hereby and the receipt of the latter shall be full and ample protection to the Trustee for all purposes hereunder.

7. No sums payable to annuitants shall accrue in favor of said annuitants until the actual date required for their payment.

8. The party of the first part however reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the Trustee; but this right of modification, however, shall in no way be deemed or construed to include any rights or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument."

In all other respects except as modified by this Supplemental Indenture and the Supplemental Indentures herein [fol. 152] before referred to, the said Indenture of December 24, 1913 is hereby reaffirmed and ratified especially including the right of the party of the first part to modify any or all of the trusts originally created or modified by said Supplemental Indentures aforesaid.

In Witness Whereof the party of the first part has hereunto set his hand and seal and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its Vice-President the day and year first above written.

(Seal.)

C. H. Sanford. Guaranty Trust Company of New York, by F. J. H. Sutton, Vice-President.

Attest: C. M. Schmidt, Assistant Secretary.

(Seal.)

STATE OF NEW YORK,
County of New York, ss:

On the 20th day of November, in the year One thousand nine hundred and twenty-two, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

James L. Conway, Notary Public, N. Y. County. New York County Clerk's No. 558. New York County Register's No. 4496. Certificate filed in Bronx County. Bronx County Clerk's No. 42. Bronx County Register's No. 206. Certificate filed in Westchester County. Westchester County Clerk's No. —. Westchester County Register's No. —. Commission expires March 30th, 1924.

(Seal.)

[fol. 153] STATE OF NEW YORK,
County of New York, ss:

On the 20th day of November, in the year One thousand nine hundred and twenty-two, before me personally came Frederick J. H. Sutton, to me known, who, being by me duly sworn, did depose and say: that he resides in New

York City, New York, and is a Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

James L. Conway, Notary Public, N. Y. County.
New York County Clerk's No. 558. New York
County Register's No. 4496. Certificate filed in
Bronx County. Bronx County Clerk's No. 42.
Bronx County Register's No. 206. Commission
expires March 30, 1924.

C. H. S.

(Seal.)

[fol. 154]

EXHIBIT "1"

Par Value

\$68,750.	Anglo Argentine Tramway Co., Ltd. 4% Debenture Stock (£5 par)
12,500.	Anglo Argentine Tramway Co., Ltd. 5% Debenture Stock (£5 par)
12,500.	Argentine Republic 4's, 1961
62,500.	Baltimore & Ohio 4's, 1959
12,500.	Brazil Northeastern 1st Debenture Stock
75,000.	Central Argentine Railway Co., Ltd., 6's, 1927
12,500.	Central Argentine Railway Co., Ltd., 6's, 1927
625,000.	Central Argentine Railway, Ltd. Consoli- dated Ordinary Stock
31,250.	Central Arkansas & Eastern 1st 5's, 1940
6,250.	Chaplin, Milne, Grenfell & Co. Pfd. Stock (£10 par)
25,000.	Chicago, Milwaukee & St. Paul 4's, 1934
15,000.	Chicago, Rock Island & Pacific 4's, 1934
60,500.	City of Bordeaux 6's, 1934
44,000.	City of Lyons 6's, 1934
46,500.	City of Marseilles 6's, 1934
100,000.	City of Montivedeo 5's, 1939
6,750.	City of New York 4½'s, 1967
15,000.	Cleveland, Cincinnati, Chicago & St. Louis 4's, 1993

EXHIBIT "1"—Continued

Par Value

12,000.	Colorado & Southern 4's, 1929
1,250.	Freehold Trust Company C/S (\$100. par)
15,000.	Government of French Republic 8's, 1945
62,500.	Great Falls Power 5's, 1940
11,250.	Guaranty Trust Company of New York C/S (\$100 par)
2,500.	J. G. White Company Preferred
15,000.	Kansas City Southern 5's, 1950
24,500.	Kingdom of Belgium 7½'s 1945
12,500.	Lake Shore & Michigan Southern 4's, 1931
62,500.	Lake Shore Electric Railway 5's, 1933
50,000.	Lanman & Kemp Inc., Preferred (\$100. par)
2,500.	Lanman & Kemp Inc., Common (\$100. par)
47,500.	Mississippi River & Bonne Terre 5's, 1931
12,500.	New York Central & Hudson River Railroad 4's, 1942
3,000.	New York Telephone 4½'s 1939

C. H. Sanford.

F. J. H. Sutton.

[fol. 155]

6,250.	Oriental Republic of Uruguay 3½'s
15,000.	Pennsylvania Railroad 4½'s 1965
15,000.	Rio Grande Western 4's 1929
15,000.	St. Louis, San Francisco 4's, 1950
15,000.	St. Louis Southwestern 4's, 1989
62,500.	St. Louis Southwestern 5's, 1952
440,000.	Samuel B. Hale Company, Ltd. C/S (\$440. par or 1,000 pesos each)
18,000.	Southern Pacific 4's, 1949
75,000.	Southern Railway 4's, 1956
25,000.	Stevensville North & South Texas 1st 5's, 1940
6,175.	Underground Electric Railway Co. of London, Ltd. 4½'s, 1933
2,000.	Government of Argentine Republic 7's, 1927
11,742.59	Cash

\$2,272,667.59

C. H. Sanford.

F. J. H. Sutton.

[fol. 156] Colville Herbert Sanford-Barclay Trust

SCHEDULE "A"

\$155,000	par value	Central Argentine Railway Company Consolidated Ord. Stock (31,000 shares no par value, carried at £1 for convenience)
4,000	" "	Southern Pacific First Refunding Mortgage 4's 1955
3,000	" "	Chicago, Milwaukee and St. Paul 4's 1934
2,000	" "	Chicago, Milwaukee and Puget Sound 4's 1949
5,000	" "	Union Pacific 1st Lien and Refunding 4's 2008
6,000	" "	Central Argentine Railway Ltd. 10 Yr. 6's 1927
14,200	" "	United Kingdom of Great Britain & Ireland 5½'s 1929
400	" "	U. S. A. Second Liberty Loan 4¼'s 1942
1,000	" "	Chesapeake & Ohio Equipment Trust 6½'s 1932
1,000	" "	City of Bordeaux External Loan 6's 1934
2,500	" "	City of Lyons External Loan 6's 1934
1,500	" "	City of Marseilles External Loan 6's 1934
6,000	" "	Government of Argentine Nation 7's 1927

\$201,600

Total

C. H. Sanford.

F. J. H. Sutton.

[fol. 157]

Sarita E. Barclay Trust

SCHEDULE "B"

Par Value	
91,666.66	Anglo Argentine Tramways Co. Ltd. 4% Deb. Stock (@ £5 par)
16,666.66	Anglo Argentine Tramways Co. Ltd. 5% Deb. Stock (@ £5 par)
16,666.66	Argentine Republic 4's, 1961
83,333.33	Baltimore & Ohio 4's, 1959

SCHEDULE "C"—Continued

Par Value

9,000.00	City of New York 4½'s, 1967
20,000.00	Cleveland, Cincinnati, Chicago & St. Louis 4's, 1993
16,000.00	Colorado & Southern 4's, 1929
1,666.66	Freehold Trust Company, C/S (@ \$100 par)
20,000.00	Government of French Republic 8's, 1945
83,333.33	Great Falls Power 5's, 1940
15,000.00	Guaranty Trust Company of New York C/S (@ \$100 par)
3,333.33	J. G. White Company, Preferred
20,000.00	Kansas City Southern 5's, 1950
31,666.66	Kingdom of Belgium 7½'s, 1945
16,666.66	Lake Shore & Michigan Southern 4's, 1931
83,333.33	Lake Shore Electric Railway 5's, 1933
66,666.66	Lanman & Kemp Inc., Preferred (@ \$100 par)
3,333.33	Lanman & Kemp Inc., Common (@ \$100 par)
63,333.33	Mississippi River & Bonne Terre 5's, 1931
16,666.66	New York Central & Hudson River Railroad 4's, 1942

[fol. 160]

4,000.00	New York Telephone 4½'s, 1939
8,333.33	Oriental Republic of Uruguay 3½'s
20,000.00	Pennsylvania Railroad 4½'s, 1965
20,000.00	Rio Grande Western 4's, 1939
20,000.00	St. Louis, San Francisco 4's, 1950
20,000.00	St. Louis Southwestern 4's, 1989
83,333.33	St. Louis Southwestern 5's, 1952
586,666.66	Samuel B. Hale Co. Ltd. C/S (@ \$440 par or 1,000 pesos)
24,000.00	Southern Pacific 4's, 1949
100,000.00	Southern Railway 4's, 1956
33,333.33	Stevensville North & South Texas 1st 5's, 1940
8,233.33	Underground Electric Railways Co. of London Ltd., 4½'s, 1933
2,666.66	Government of Argentine Nation 7's, 1927
15,622.45	Cash

\$3,029,188.97 Total

C. H. Sanford

F. J. H. Sutton.

[fol. 161]

Herbert Sanford Ward Trust

SCHEDULE "D"

Par Value

\$91,666.66	Anglo Argentine Tramway Co. Ltd. 4% Deb. Stock (£5 par)
16,666.66	Anglo Argentine Tramway Co. Ltd. 5% Deb. Stock (£5 par)
16,666.66	Argentine Republic 4's, 1961
83,333.33	Baltimore & Ohio 4's, 1959
16,666.66	Brazil Northeastern 1st Debenture Stock
100,000.00	Central Argentine Railway Co. Ltd. 6's, 1927
16,666.66	Central Argentine Railway Co. Ltd. 6's, 1927
833,333.33	Central Argentine Railway Co. Ltd. Cons. Ordinary Stock
41,666.66	Central Arkansas & Eastern 1st 5's, 1940
8,333.33	Chaplin, Milne, Grenfell & Co. Pfd. Stock (£10 par)
33,333.33	Chicago, Milwaukee & St. Paul 4's, 1934
20,000.00	Chicago, Rock Island & Pacific 4's, 1934
80,666.66	City of Bordeaux 6's, 1934
58,666.66	City of Lyons 6's, 1934
62,000.00	City of Marseilles 6's, 1934
133,333.33	City of Montevideo 5's, 1939
9,000.00	City of New York 4½'s, 1967
20,000.00	Cleveland, Cincinnati, Chicago & St. Louis 4's, 1993
16,000.00	Colorado & Southern 4's, 1929
1,666.66	Freehold Trust Company Capital Stock (\$100 par)
20,000.00	Government of French Republic 8's, 1945
83,333.33	Great Falls Power 5's, 1940
15,000.00	Guaranty Trust Company of New York Capital Stock (\$100 par)
3,333.33	J. G. White Company, Preferred
20,000.00	Kansas City Southern 5's, 1950
32,666.66	Kingdom of Belgium 7½'s, 1945
16,666.66	Lake Shore & Michigan Southern 4's, 1931
83,333.33	Lake Shore Electric Railway 5's, 1933
66,666.66	Lanman & Kemp Inc., Preferred (\$100 par)
3,333.33	Lanman & Kemp Inc., Common (\$100 par)
63,333.33	Mississippi River & Bonne Terre 5's, 1931
16,666.66	New York Central & Hudson River Railroad 4's, 1942
4,000.00	New York Telephone 4½'s, 1939

SCHEDULE "D"—Continued

[fol. 162]

Par Value

8,333.33	Oriental Republic of Uruguay 3½'s
20,000.00	Pennsylvania Railroad 4½'s, 1965
20,000.00	Rio Grande Western 4's, 1939
20,000.00	St. Louis, San Francisco 4's, 1950
20,000.00	St. Louis Southwestern 4's, 1989
83,333.33	St. Louis Southwestern 5's, 1952
586,666.66	Samuel B. Hale Co., Ltd. C/S (\$440 par or 1,000 pesos)
24,000.00	Southern Pacific 4's, 1949
100,000.00	Southern Railway 4's, 1956
33,333.33	Stevensville North & South Texas 1st 5's, 1940
8,233.33	Underground Electric Railways Co. of London, Ltd. 4½'s, 1933
2,666.66	Government of Argentine Nation 7's, 1927
15,803.41	Cash
<u>\$3,030,369.93</u>	Total

C. H. Sanford.

F. J. H. Sutton.

[fol. 163] This Supplemental Indenture made the 21st day of December in the year one thousand nine hundred and twenty-three, between Charles Henry Sanford of Freehold, Monmouth County, State of New Jersey, party of the first part and Guaranty Trust Company of New York, (hereinafter for convenience termed the "Trustee"), a corporation organized and existing under the laws of the State of New York, with its principal office and place of business at No. 140 Broadway, New York, N. Y.

Witnesseth, That Whereas, by Indenture dated the 24th day of December, 1913 between the parties hereto, the party of the first part did create various trusts in property, of which the party of the second part was made Trustee, and

Whereas Indentures supplemental thereto have been executed by the said parties respectively dated February 15, 1916, September 6, 1916, August 17, 1917, December 19, 1917, June 28, 1918, August 16, 1918, May 23, 1919, November 26, 1919, March 16, 1920, November 25, 1921 and Novem-

ber 20, 1922 by which Supplemental Indentures (which together with the Indenture of December 24, 1913 are hereinafter for convenience termed the "Trust Indentures") additions to the trusts created by the Indenture of December 24, 1913 have been made by the party of the first part, modifications have been made with respect to such trusts pursuant to the right reserved in the party of the first part by the terms of the Trust Indentures; and,

Whereas the party of the first part desires to make certain further modifications pursuant to the power reserved to him,

Now, Therefore, and pursuant to the power reserved to the party of the first part by the Trust Indentures, the party of the first part by this Supplemental Indenture does hereby identify and hereby confirm his previous conveyance to the Trustee of the property respectively described in the schedules hereto annexed. Said schedules A, B, C and D respectively describe the present corpus and principal of the four trusts respectively created and for convenience therein and hereinafter described as "Colville Herbert Sanford Barclay Trust," "Sarita E. Barclay Trust," "Frances G. Phipps Trust" and "Herbert Sanford Ward Trust." And the party of the first part does hereby ratify each and every act [fol. 164] of the Trustee heretofore taken with respect to the investments in said schedules described, and with respect to all other acts of the Trustee pursuant to the Trust Indentures.

The terms and conditions upon which the property granted, bargained, sold, assigned, transferred and set over unto the Trustee are hereby modified so that the same shall now read as follows:

"To Have and to Hold the property described as the 'Colville Herbert Sanford-Barclay Trust' upon Schedule A hereto annexed to the trustee and its successors to collect and receive the interests, income and profits thereof during the natural life of Colville Herbert Sanford-Barclay, a great grandson of the party of the first part, and accumulate the said income and profits during the minority of the said Colville Herbert Sanford-Barclay, and when he shall have attained the age of twenty-one years to pay over to him all of the said accumulations of income, and thereafter to apply to the use of Sir Colville Barclay, father of Colville Herbert

SCHEDULE "B"—Continued

Par Value

16,666.66	Brazil Northeastern 1st Debenture Stock
100,000.00	Central Argentine Railway Co. Ltd. 6's, 1927
16,666.66	Central Argentine Railway Co. Ltd. 6's, 1927
833,333.33	Central Argentine Railway Co. Ltd. Cons. Ordinary Stock (no par)
41,666.66	Central Arkansas & Eastern 1st 5's, 1940
8,333.33	Chaplin, Milne, Grenfell & Co. Preferred Stock (@ £10 par)
33,333.33	Chicago, Milwaukee & St. Paul 4's, 1934
20,000.00	Chicago, Rock Island & Pacific 4's, 1934
80,166.66	City of Bordeaux 6's, 1934
59,166.66	City of Lyons 6's, 1934
62,000.00	City of Marseilles 6's, 1934
133,333.33	City of Montevideo 5's, 1939
9,000.00	City of New York 4½'s, 1967
20,000.00	Cleveland, Cincinnati, Chicago & St. Louis 4's, 1993
16,000.00	Colorado & Southern 4's, 1929
1,666.66	Freehold Trust Company, C/S (@ \$100 par)
20,000.00	Government of French Republic 8's, 1945
83,333.33	Great Falls Power 5's, 1940
15,000.00	Guaranty Trust Company of New York, C/S (@ \$100 par)
3,333.33	J. G. White Company, Preferred
20,000.00	Kansas City Southern 5's, 1950
31,666.66	Kingdom of Belgium 7½'s, 1945
16,666.66	Lake Shore & Michigan Southern 4's, 1931
83,333.33	Lake Shore Electric Railway 5's, 1933
66,666.66	Lanman & Kemp, Inc., Preferred (@ \$100 par)
3,333.33	Lanman & Kemp, Inc., Common (@ \$100 par)
63,333.33	Mississippi River & Bonne Terre 5's, 1931
16,666.66	New York Central & Hudson River Railroad 4's, 1942
4,000.00	New York Telephone 4½'s, 1939

[fol. 158]

8,333.33	Oriental Republic of Uruguay 3½'s
20,000.00	Pennsylvania Railroad 4½'s, 1965
20,000.00	Rio Grande Western 4's, 1939

SCHEDULE "B"—Continued

Par Value

20,000.00	St. Louis, San Francisco 4's, 1950
20,000.00	St. Louis Southwestern 4's, 1989
83,333.33	St. Louis Southwestern 5's, 1952
586,666.66	Samuel B. Hale Company, Ltd. C/S (@ \$440 par or 1,000 pesos)
24,000.00	Southern Pacific 4's, 1949
100,000.00	Southern Railway 4's, 1956
33,333.33	Stevensville North & South Texas 1st 5's, 1940
8,233.33	Underground Electric Railways Co. of London, Ltd. 4½'s, 1933
2,666.66	Government of Argentine Nation 7's, 1927
15,460.20	Cash
<hr/> \$3,029,026.72	Total

C. H. Sanford.

F. J. H. Sutton:

[fol. 159]

Frances G. Phipps Trust

SCHEDULE "C"

91,666.66	Anglo Argentine Tramways Co. Ltd., 4% Deb. Stock (@ £5 par)
16,666.66	Anglo Argentine Tramways Co. Ltd., 5% Deb. Stock (@ £5 par)
16,666.66	Argentine Republic 4's, 1961
83,333.33	Baltimore & Ohio 4's, 1959
16,666.66	Brazil Northeastern 1st Debenture Stock
100,000.00	Central Argentine Railway Co. Ltd., 6's, 1927
16,666.66	Central Argentine Railway Co. Ltd., 6's, 1927
833,333.33	Central Argentine Railway Co. Ltd., Cons. Ordinary Stock
41,666.66	Central Arkansas & Eastern 1st 5's, 1940
8,333.33	Chaplin, Milne, Grenfell & Co. Preferred Stock (@ £10 par)
33,333.33	Chicago, Milwaukee & St. Paul 4's, 1934
20,000.00	Chicago, Rock Island & Pacific 4's, 1934
80,666.66	City of Bordeaux 6's, 1934
58,666.66	City of Lyons 6's, 1934
62,000.00	City of Marseilles 6's, 1934
133,333.33	City of Montevideo 5's, 1939

Phipps then living in equal shares, per stirpes and not per capita.

And after making such exceptions and reservations, the resultant remainder shall be held in trust by the Trustee and its successors to collect and receive the interest, income and profits thereof and apply the net income to the use of the descendants of the said Frances G. Phipps living at the time of her death, per stirpes and not per capita, during the natural life of Colville Herbert Sanford-Barclay, and upon his death the said resultant remainder shall be paid over to the descendants of the said Frances G. Phipps then living, in equal shares, per stirpes and not per capita. In the event that the said Frances G. Phipps shall die leaving her no descendants her surviving, then to pay over the resultant remainder to the party of the first part should he be living, and if dead to distribute the same in equal shares among the descendants of the party of the first part, per stirpes and not per capita.

In making such payments and distribution to the former annuitants aforesaid or to the remaindermen above described, the Trustee is authorized to use and deliver in kind the assets held in the corpus of the said Frances G. Phipps Trust, in whatever form it may be at that time invested.

To Have and to Hold the property described as the 'Herbert Sanford Ward Trust', upon Schedule D hereto annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and out of the said income during the natural life of Herbert Sanford Ward to pay the following annuities as hereinafter provided, namely, to

(1) Emily A. Sanford, (the wife of the party of the first part) an annuity of \$16,000. payable quarterly during her natural life.

[fol. 178] (2) Mary Elizabeth Sanford, an annuity of \$1,000. payable quarterly during her natural life.

(3) Delia Sanford (Daughter of Mary Elizabeth Sanford) an annuity of \$400. payable quarterly during her natural life.

(4) Sarah Elizabeth Wyckoff, (a sister of the party of the first part) an annuity of \$1,400. during her natural life.

(5) Anna Grace Naquin, (a daughter of Sarah Elizabeth Wyckoff) an annuity of \$400. payable quarterly during her

natural life, and should she die before the younger of her two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their minority, the amount thereof to be paid to Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally for the support of said minors.

(6) Mary Anna Miller, (a sister of the party of the first part) an annuity of \$1,400. payable quarterly during her natural life.

(7) Frederick J. Sanford, (a nephew of the party of the first part) and to his wife jointly, and to the survivor of them, an annuity of \$1,000. payable quarterly, for the purpose of aiding in the support of the mother, sisters and brothers of said Frederick J. Sanford; this annuity to terminate upon the death of the survivor of said Frederick J. Sanford and his wife.

(8) Mamie Crisp and Louis Crisp, (daughter and son-in-law of William A. Sanford, a brother of the party of the first part) and to the survivor of them an annuity of \$500. payable quarterly to be used and applied for the benefit of their daughter Jeannette Crisp as long as she lives, and after her death the said annuity shall be paid the said Mamie Crisp and Louis Crisp, or the survivor of them during their natural lives without restriction or limitations as to its use or application. The receipt of said Mamie Crisp and, or, Louis Crisp for such payments shall be full acquittance and discharge of the Trustee with respect to such payments.

[fol. 179]. (9) Joseph A. Sanford, (a nephew of the party of the first part) an annuity of \$400. payable quarterly during his natural life.

(10) Jacob Horace Sanford, (a nephew of the party of the first part) an annuity of \$500. payable quarterly during his natural life.

(11) Margaret Sanford, (widow of Charles Sanford, son of William A. Sanford) an annuity of \$200. payable quarterly during her natural life.

(12) Jacob Vanzandt Wyckoff and his wife, Neola Wyckoff (son and daughter-in-law of Sarah E. Wyckoff) and to the

Sanford-Barclay, all of the net income of the said property until the said Colville Herbert Sanford-Barclay shall attain the age of twenty-five years, and thereafter to apply to the use of the said Colville Herbert Sanford-Barclay all of the net income of the said property, and upon his death the trust shall terminate and the trustees shall pay over the said trust fund and all accumulations, if any, thereon to his oldest brother then living, and if there shall be no brother of his living at that time then to pay over and distribute the said principal sum and all accumulated income thereof, if any, to and among the descendants of the party of the first part, per stirpes and not per capita, and if there be no descendants of the party of the first part then living, then to any among nephews and nieces then living of the party of the first part in equal shares, and to the descendants of any deceased nephew or niece, per stirpes and not per capita, the share which would have been taken by such deceased nephew or niece if living, except that the share of Addison Starr Sanford, one of said nephews, shall be paid to his wife or if she be dead to her descendants per stirpes and not per capita.

To Have and to Hold the property described as the 'Sarita E. Barclay Trust', upon Schedule B, hereto annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and out of the said income [fol. 165] come during the natural life of Sarita E. Barclay, to pay the following annuities as hereinafter provided, namely, to

(1) Emily A. Sanford, (the wife of the party of the first part) an annuity of \$17,000 payable quarterly during her natural life.

(2) Mary Elizabeth Sanford, an annuity of \$1,000 payable quarterly during her natural life.

(3) Delia Sanford, (daughter of Mary Elizabeth Sanford) an annuity of \$300 payable quarterly during her natural life.

(4) Sarah Elizabeth Wyckoff, (a sister of the party of the first part) an annuity of \$1,300 during her natural life.

(5) Anna Grace Naquin, (a daughter of Sarah Elizabeth Wyckoff) an annuity of \$300 payable quarterly during her natural life, and should she die before the younger of her

two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their minority, the amount thereof to be paid to Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally for the support of said minors.

(6) Mary Anna Miller, (a sister of the party of the first part) an annuity of \$1,300 payable quarterly during her natural life.

(7) Frederick J. Sanford, (a nephew of the party of the first part) and to his wife jointly, and to the survivor of them, an annuity of \$1,000 payable quarterly, for the purpose of aiding in the support of the mother, sisters and brothers of said Frederick J. Sanford; this annuity to terminate upon the death of the survivor of said Frederick J. Sanford and his wife.

(8) Mamie Crisp and Louis Crisp (daughter and son-in-law of William A. Sanford, a brother of the party of the first part) and to the survivor of them an annuity of \$500 payable quarterly to be used and applied for the benefit of [fol. 166] their daughter Jeanrette Crisp as long as she lives, and after her death the said annuity shall be paid the said Mamie Crisp and Louis Crisp, or the survivor of them during their natural lives, without restriction or limitations as to its use or application. The receipt of said Mamie Crisp and, or, Louis Crisp for such payments shall be full acquittance and discharge of the Trustee with respect to such payments.

(9) Joseph A. Sanford (a nephew of the party of the first part) an annuity of \$300 payable quarterly during his natural life.

(10) Jacob Horace Sanford, (a nephew of the party of the first part) an annuity of \$500 payable quarterly during his natural life.

(11) Margaret Sanford, (widow of Charles Sanford, son of William A. Sanford, an annuity of \$150 payable quarterly during her natural life.

(12) Jacob Vanzandt Wyckoff and his wife Neola Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff)

and to the survivor of them, an annuity of \$650 payable quarterly during their natural lives.

(13) Charles S. Wyckoff (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly, during his natural life, and upon his death such annuity to be continued to his wife, Gladys Wyckoff, during her natural life.

(14) Mabel Wyckoff, (daughter of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during her natural life.

(15) Frank Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during his natural life.

(16) John Henry Wyckoff and his wife Carrie Estelle Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) an annuity of \$300 payable quarterly and to the survivor of them during their natural lives.

(17) Charles S. Miller and Harriet Miller his wife (son [fol. 167] and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$300 payable quarterly during their respective lives.

(18) Dr. James D. Miller (son of Annie Miller) an annuity of \$650 payable quarterly during his natural life, and upon his death such annuity to be continued to his wife Mona Miller during her natural life.

(19) Elizabeth Bates (daughter of Annie Miller) an annuity of \$400 payable quarterly during her natural life.

(20) Sarah F. Yard (daughter of Annie Miller) an annuity of \$300 payable quarterly during her natural life.

(21) Robert C. Miller and Frances Miller (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$1,000 payable quarterly during their natural lives.

(22) Daniel E. Sanford (son of Tylee Sanford) an annuity of \$300 payable quarterly during his natural life.

(23) Garrett T. Sanford and Emma Sanford (son and daughter-in-law of Tylee Sanford) and to the survivor of them, an annuity of \$1,200 payable quarterly during their natural lives.

(24) Margaret Irene Sanford (daughter-in-law of Tylee Sanford) an annuity of \$400 payable quarterly to be by

her used and applied for the benefit of herself and family as she may see fit, during her natural life, and upon her death to continue the payments of said annuity to her husband Frank A. Sanford, during his natural life.

(25) Henry P. Sanford and Viola Sanford (son and daughter-in-law of Tylee Sanford) and the survivor of them, an annuity of \$300 payable quarterly during their natural lives.

(26) Lizzie Henderson Sanford (daughter-in-law of Tylee Sanford) an annuity of \$500 payable quarterly, to be used and applied for the benefit of herself and family as she may see fit during her natural life, and upon her death [fol. 168] to continue the payment of said annuity to her children in equal shares during their respective minorities.

(27) Ollie Cross (daughter of Tylee Sanford) wife of Milton Cross an annuity of \$300 payable quarterly during her natural life.

(28) Elizabeth Adams (daughter of Tylee Sanford) wife of Eleigh Adams, an annuity of \$300 payable quarterly during her natural life.

(29) Elizabeth Sanford (widow of Tylee Sanford) an annuity of \$400 payable quarterly during her natural life.

(30) Louise Tilton, an annuity of \$500 payable quarterly during her natural life.

(31) James Billett, (valet to the party of the first part) an annuity of \$200 payable quarterly during his natural life.

(32) Eunice Stokes Cocks (daughter of Gertrude S. Cocks) an annuity of \$400 per annum, which sum shall be paid January 2, 1924, and on each January 2nd thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be applied for her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the trustee with respect to such payments.

(33) Rowland E. Cocks, Jr., (son of Gertrude S. Cocks) an annuity of \$300 per annum, which sum shall be paid Jan-

of the said Sarita E. Barclay then living in equal shares, per stirpes and not per capita.

[fol. 171] "and after making such exceptions and reservations, the resultant remainder shall be held in trust by the trustee and its successors to collect and receive the interest, income and profits thereof and apply the net income to the use of the descendants of the said Sarita E. Barclay living at the time of her death, per stirpes and not per capita, during the natural life of Colville Herbert Sanford-Barclay, and upon his death the said resultant remainder shall be paid over to the descendants of the said Sarita E. Barclay then living, in equal shares, per stirpes and not per capita. In the event that said Sarita E. Barclay shall die leaving her no descendants her surviving, then to pay over the resultant remainder to the party of the first part should he be living, and if dead to distribute the same in equal shares among the descendants of the party of the first part, per stirpes and not per capita.

In making such payments and distribution to the former annuitants aforesaid or to the remaindermen above described, the Trustee is authorized to use and deliver in kind the assets held in the corpus of the said Sarita E. Barclay Trust, in whatever form it may be at that time invested.

To Have and to Hold the property described as the 'Frances G. Phipps Trust', upon Schedule C, hereto annexed, to the Trustee and its successors to collect and receive the interest, income and profits thereof and out of the said income during the natural life of Frances G. Phipps to pay the following annuities as hereinafter provided, namely to

(1) Emily A. Sanford, (the wife of the party of the first part) an annuity of \$17,000, payable quarterly during her natural life.

(2) Mary Elizabeth Sanford, an annuity of \$1,000, payable quarterly during her natural life.

(3) Delia Sanford, (daughter of Mary Elizabeth Sanford) an annuity of \$300 payable quarterly during her natural life.

(4) Sarah Elizabeth Wyckoff, (a sister of the party of the first part) an annuity of \$1,300 during her natural life.

(5) Anna Grace Naquin, (a daughter of Sarah Elizabeth Wyckoff) an annuity of \$300 payable quarterly during her

natural life, and should she die before the younger of her [fol. 172] two children Edward Clinton Harvey and Grace Elizabeth Harvey shall have attained the age of twenty-one years, the said annuity shall be continued for the benefit of said minor children or the survivor of them during their minority, the amount thereof to be paid to Sarah Elizabeth Wyckoff and Mabel Wyckoff jointly or severally for the support of said minors.

(6) Mary Anna Miller, (a sister of the party of the first part) an annuity of \$1,300 payable quarterly during her natural life.

(7) Frederick J. Sanford, a nephew of the party of the first part) and to his wife jointly, and to the survivor of them, an annuity of \$1,000 payable quarterly, for the purpose of aiding in the support of the mothers, sisters, and brothers of said Frederick J. Sanford; this annuity to terminate upon the death of the survivor of said Frederick J. Sanford and his wife.

(8) Mamie Crisp and Louis Crisp (daughter and son-in-law of William A. Sanford, a brother of the party of the first part) and to the survivor of them an annuity of \$500 payable quarterly to be used and applied for the benefit of their daughter Jeannette Crisp as long as she lives, and after her death the said annuity shall be paid the said Mamie Crisp and Louis Crisp, or the survivor of them during their natural lives without restriction or limitations as to its use or application. The receipt of said Mamie Crisp and, or, Louis Crisp for such payments shall be full acquittance and discharge of the Trustee with respect to such payments.

(9) Joseph A. Sanford, (a nephew of the party of the first part) an annuity of \$300 payable quarterly during his natural life.

(10) Jacob Horace Sanford, (a nephew of the party of the first part) an annuity of \$500 payable quarterly during his natural life.

(11) Margaret Sanford, (widow of Charles Sanford, son of William A. Sanford) an annuity of \$150 payable quarterly during her natural life.

[fol. 173] (12) Jacob Vanzandt Wyckoff and his wife Neola Wyckoff, (son and daughter-in-law of Sarah E.

Wyckoff) and to the survivor of them, an annuity of \$650 payable quarterly during their natural lives.

(13) Charles S. Wyckoff (son of Sarah E. Wyckoff) an annuity of \$300, payable quarterly, during his natural life, and upon his death such annuity to be continued to his wife, Gladys Wyckoff, during her natural life.

(14) Mabel Wyckoff, (daughter of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during her natural life.

(15) Frank Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$300 payable quarterly during his natural life.

(16) John Henry Wyckoff and his wife Carrie Estelle Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) an annuity of \$300 payable quarterly and to the survivor of them during their natural lives.

(17) Charles S. Miller and Harriet Miller his wife (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$300 payable quarterly during their respective lives.

(18) Dr. James D. Miller, (son of Annie Miller) an annuity of \$650 payable quarterly during his natural life, and upon his death such annuity to be continued to his wife Mona Miller during her natural life.

(19) Elizabeth Bates, (daughter of Annie Miller) an annuity of \$300 payable quarterly during her natural life.

(20) Sarah F. Yard, (daughter of Annie Miller) an annuity of \$400 payable quarterly during her natural life.

(21) Robert G. Miller and Frances Miller, (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$1,000 payable quarterly during their natural lives.

(22) Daniel E. Sanford, (son of Tylee Sanford) an annuity of \$400 payable quarterly during his natural life.

[fol. 174] (23) Garrett T. Sanford and Emma Sanford, (son and daughter-in-law of Tylee Sanford) and to the survivor of them, an annuity of \$1200 payable quarterly during their natural lives.

(24) Margaret Irene Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$300 payable quarterly to be by her

used and applied for the benefit of herself and family as she may see fit, during her natural life, and upon her death to continue the payment of said annuity to her husband Frank A. Sanford, during his natural life.

(25) Henry P. Sanford and Viola Sanford, (son and daughter-in-law of Tylee Sanford) and the survivor of them, an annuity of \$300 payable quarterly during their natural lives.

(26) Lizzie Henderson Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$500 payable quarterly, to be used and applied for the benefit of herself and family as she may see fit during her natural life, and upon her death to continue the payment of said annuity to her children in equal shares during their respective minorities.

(27) Ollie Cross, (daughter of Tylee Sanford) wife of Milton Cross, an annuity of \$300 payable quarterly during her natural life.

(28) Elizabeth Adams, (daughter of Tylee Sanford) wife of Eleigh Adams, an annuity of \$400 payable quarterly.

(29) Elizabeth Sanford, (widow of Tylee Sanford) an annuity of \$300 payable quarterly during her natural life.

(30) Louise Tilton, an annuity of \$500 payable quarterly during her natural life.

(31) James Billett, (valet to the party of the first part) an annuity of \$200 payable quarterly during his natural life.

(32) Eunice Stokes Cocks, (daughter of Gertrude S. Cocks) an annuity of \$300 per annum, which sum shall be paid January 2nd, 1924, and on each January 2nd thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be [fol. 175] applied for her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the trustee with respect to such payments.

(33) Rowland E. Cocks, Jr., (son of Gertrude S. Cocks), an annuity of \$300 per annum, which sum shall be paid

uary 2, 1924, and on each January 2nd thereafter during the life of said Rowland E. Cocks, Jr., to Gertrude S. Cocks, mother of said Rowland E. Cocks, Jr., to be applied for his benefit during his minority and thereafter to be paid directly to said Rowland E. Cocks, Jr., during his natural life. During the minority of said Rowland E. Cocks, Jr., receipt [fol. 169] for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the trustee with respect to such payments.

(34) Reverend Frank R. Symmes and to Elizabeth J. Symmes his wife and to the survivor of them of Freehold, N. J., an annuity of \$300 per annum payable quarterly during their natural lives.

(35) Alfred Bird, (Secretary to the party of the first part) an annuity of \$650 payable quarterly during his natural life, or until such time as the party of the first part, or his wife, Emily A. Sanford shall notify the Trustee that said Alfred Bird is no longer in his or her employ, or is not rendering satisfactory service as such employee.

(36) Muriel Jane Bird (daughter of Alfred Bird) an annuity of \$300 payable quarterly during her natural life. Such annuity, however, is not to commence until the death of said Alfred Bird, nor unless said Alfred Bird was in the employ of the party of the first part, or his wife Emily A. Sanford at the time of said Alfred Bird's death, it being intended that said annuity shall be a continuation in a reduced amount of the annuity formerly payable to her father Alfred Bird.

(37) Sarah Elizabeth Wyckoff and Mabel Wyckoff, (a sister and niece of the party of the first part), and to the survivor of them, an annuity of \$200 payable quarterly, to be used and applied for the benefit of Clinton Harvey (son of Anna Grace Naquin) during his natural life or until he shall have attained the age of twenty-five years, and thereafter the said annuity shall be paid to said Clinton Harvey during his natural life. The receipt of said Sarah Elizabeth Wyckoff or Mabel Wyckoff for such payments as shall be made to them shall be full acquittance and discharge of the trustee with respect to such payments.

(38) Sarah Elizabeth Wyckoff and Mabel Wyckoff, (a sister and niece of the party of the first part), and to the

survivor of them, an annuity of \$200 payable quarterly, to be used and applied for the benefit of Grace Elizabeth Harvey (daughter of Anna Grace Naquin) during her [fol. 170] natural life or until she shall have attained the age of twenty-five years, and thereafter the said annuity shall be paid to the said Grace Elizabeth Harvey during her natural life. The receipt of said Sarah Elizabeth Wyckoff or Mabel Wyckoff for such payments as shall be made to them shall be full acquittance and discharge of the trustee with respect to such payments.

(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of \$100 per annum, which sum shall be paid January 2, 1924, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the library of the said Church. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance in discharge of the Trustee with respect to such payments.

And after payment of said annuities together with the expenses and commissions of the said Trustee to apply the residue of the net income to the use of Sarita E. Barclay during the time of her natural life. Upon the death of the said Sarita E. Barclay, there shall be excepted and reserved from the corpus of the trust fund theretofore held as the Sarita E. Barclay Trust:

(1) Such sums as in the unrestricted judgment and discretion of the Trustee may be necessary to purchase equivalent annuities for each of the persons then surviving to whom an annuity has been granted and made a prior charge against the income aforesaid, or in lieu thereof such sums, as the Trustee may deem necessary to commute and satisfy such equivalent annuities, full power and discretion being hereby vested in the Trustee to make such settlement or to effect such arrangement for the satisfaction of such annuities.

(2) The sum of \$50,000 should said Sarita E. Barclay be survived by her husband, Sir Colville Barclay, which sum the trustee is in that event directed to hold in trust and apply the net income to the use of the said Sir Colville Barclay during his natural life and upon his death to distribute the corpus of the said fund among the descendants

January 2, 1924, and on each January 2nd thereafter during the life of said Rowland E. Cocks, Jr., to Gertrude S. Cocks, mother of said Rowland E. Cocks, Jr., to be applied for his benefit during his minority and thereafter to be paid directly to said Rowland E. Cocks, Jr., during his natural life. During the minority of said Rowland E. Cocks, Jr., receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the trustee with respect to such payments.

(34) Reverend Frank R. Symmes and to Elizabeth J. Symmes his wife and to the survivor of them of Freehold, N. J., an annuity of \$350 per annum payable quarterly during their natural lives.

(35) Alfred Bird, (secretary to the party of the first part) an annuity of \$700 payable quarterly during his natural life, or until such time as the party of the first part, or his wife, Emily A. Sanford shall notify the Trustee that said Alfred Bird is no longer in his or her employ, or is not rendering satisfactory service as such employee.

(36) Muriel Jane Bird, (daughter of Alfred Bird) an annuity of \$350, payable quarterly during her natural life. Such annuity, however, is not to commence until the death of said Alfred Bird, nor unless said Alfred Bird was in the employ of the party of the first part, or his wife Emily A. Sanford at the time of said Alfred Bird's death, it being intended that said annuity shall be a continuation in a reduced amount of the annuity formerly payable to her father Alfred Bird.

(37) Sarah Elizabeth Wyckoff and Mabel Wyckoff, (a sister and niece of the party of the first part), and to the survivor of them, an annuity of \$150, payable quarterly, to be used and applied for the benefit of Clinton Harvey (son [fol. 176] of Anna Grace Naquin) during his natural life or until he shall have attained the age of twenty-five years, and thereafter the said annuity shall be paid to the said Clinton Harvey during his natural life. The receipt of said Sarah Elizabeth Wyckoff or Mabel Wyckoff for such payments as shall be made to them shall be full acquittance and discharge of the trustee with respect to such payments.

(38) Sarah Elizabeth Wyckoff and Mabel Wyckoff, (a sister and niece of the party of the first part), and to the

survivor of them, an annuity of \$150. payable quarterly, to be used and applied for the benefit of Grace Elizabeth Harvey (daughter of Anna Grace Naquin) during her natural life or until she shall have attained the age of twenty-five years, and thereafter the said annuity shall be paid to the said Grace Elizabeth Harvey during her natural life. The receipt of said Sarah Elizabeth Wyckoff or Mabel Wyckoff for such payments as shall be made to them shall be full acquittance and discharge of the trustee with respect to such payments.

(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of Two Hundred Dollars (\$200.) per annum, which sum shall be paid January 2, 1924, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the library of the said church. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance in discharge of the Trustee with respect to such payments.

And after payment of said annuities together with the expenses and commissions of the said Trustee to apply the residue of the net income to the use of Frances G. Phipps during the time of her natural life. Upon the death of said Frances G. Phipps there shall be excepted and reserved from the corpus of the trust fund theretofore held as the Frances G. Phipps Trust:

(1) Such sums as in the unrestricted judgment and discretion of the Trustee may be necessary to purchase equivalent annuities for each of the persons then surviving to whom an annuity has been granted and made a prior charge against the income aforesaid, or in lieu thereof such sums [fol. 177] as the Trustee may deem necessary to commute and satisfy such equivalent annuities full power and discretion being hereby vested in the Trustee to make such settlement or to effect such arrangement for the satisfaction of such annuities.

(2) The sum of \$50,000 should said Frances G. Phipps be survived by her husband, Eric Phipps, which sum the Trustee is in that event directed to hold in trust and apply the net income to the use of the said Eric Phipps during his natural life and upon his death to distribute the corpus of the said fund among the descendants of the said Frances G.

survivor of them, an annuity of \$700. payable quarterly during their natural lives.

(13) Charles S. Wyckoff (son of Sarah E. Wyckoff) an annuity of \$400. payable quarterly, during his natural life, and upon his death such annuity to be continued to his wife, Gladys Wyckoff, during her natural life.

(14) Mabel Wyckoff, (daughter of Sarah E. Wyckoff) an annuity of \$400. payable quarterly during her natural life.

● (15) Frank Wyckoff, (son of Sarah E. Wyckoff) an annuity of \$400. payable quarterly during his natural life.

(16) John Henry Wyckoff and his wife Carrie Estelle Wyckoff, (son and daughter-in-law of Sarah E. Wyckoff) an annuity of \$400. payable quarterly and to the survivor of them during their natural lives.

(17) Charles S. Miller and Harriet Miller his wife (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$400. payable quarterly during their respective lives.

(18) Dr. James D. Miller, (son of Annie Miller) an annuity of \$700. payable quarterly during his natural life, and upon his death such annuity to be continued to his wife Mona Miller during her natural life.

(19) Elizabeth Bates, (daughter of Annie Miller) an annuity of \$300. payable quarterly during her natural life.

[fol. 180] (20) Sarah F. Yard, (daughter of Annie Miller) an annuity of \$300. payable quarterly during her natural life.

(21) Robert C. Miller and Frances Miller (son and daughter-in-law of Annie Miller) and to the survivor of them, an annuity of \$1,000. payable quarterly during their natural lives.

(22) Daniel E. Sanford, (son of Tylee Sanford) an annuity of \$300. payable quarterly during his natural life.

(23) Garrett T. Sanford and Emma Sanford, (son and daughter-in-law of Tylee Sanford) and to the survivor of them, an annuity of \$1,100. payable quarterly during their natural lives.

(24) Margaret Irene Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$300. payable quarterly to be by her used and applied for the benefit of herself and family as she

may see fit, during her natural life, and upon her death to continue the payment of said annuity to her husband Frank A. Sanford, during his natural life.

(25) Henry P. Sanford and Viola Sanford, (son and daughter-in-law of Tylee Sanford) and the survivor of them, an annuity of \$400. payable quarterly during their natural lives.

(26) Lizzie Henderson Sanford, (daughter-in-law of Tylee Sanford) an annuity of \$500. payable quarterly, to be used and applied for the benefit of herself and family as she may see fit during her natural life, and upon her death to continue the payment of said annuity to her children in equal shares during their respective minorities.

(27) Ollie Cross, (daughter of Tylee Sanford) wife of Milton Cross, an annuity of \$400. payable quarterly during her natural life.

(28) Elizabeth Adams, (daughter of Tylee Sanford) wife of Eleigh Adams, an annuity of \$300. payable quarterly during her natural life.

(29) Elizabeth Sanford, (widow of Tylee Sanford) an annuity of \$300. payable quarterly during her natural life.

[fol. 181] (30) Louise Tilton, an annuity of \$500. payable quarterly during her natural life.

(31) James Billett, (valet to the party of the first part) an annuity of \$200. payable quarterly during his natural life.

(32) Eunice Stokes Cocks (daughter of Gertrude S. Cocks) an annuity of \$300. per annum, which sum shall be paid January 2, 1924, and on each January 2nd thereafter during the life of said Eunice Stokes Cocks to Gertrude S. Cocks, mother of said Eunice Stokes Cocks, to be applied for her benefit during her minority and thereafter to be paid directly to said Eunice Stokes Cocks during her natural life. During the minority of said Eunice Stokes Cocks receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the trustee with respect to such payments..

(33) Rowland E. Cocks, Jr., (son of Gertrude S. Cocks) an annuity of \$400. per annum, which sum shall be paid January 2, 1924, and on each January 2nd thereafter during the

life of said Rowland E. Cocks, Jr., to Gertrude S. Cocks, mother of said Rowland E. Cocks, Jr., to be applied for his benefit during his minority and thereafter to be paid directly to said Rowland E. Cocks, Jr., during his natural life. During the minority of said Rowland E. Cocks, Jr., receipt for such payments signed by Gertrude S. Cocks shall be full acquittance and discharge of the Trustee with respect to such payments.

(34) Reverend Frank R. Symmes and to Elizabeth J. Symmes his wife and to the survivor of them of Freehold, N. J., an annuity of \$350. per annum payable quarterly during their natural lives.

(35) Alfred Bird, (secretary to the party of the first part) an annuity of \$650. payable quarterly during his natural life, or until such time as the party of the first part, or his wife Emily A. Sanford shall notify the Trustee that said Alfred Bird is no longer in his or her employ, or is not rendering satisfactory service as such employee.

(36) Muriel Jane Bird (daughter of Alfred Bird) an annuity of \$350. payable quarterly during her natural life. [fol. 182] Such "annuity, however, is not to commence until the death of said Alfred Bird, nor unless said Alfred Bird was in the employ of the party of the first part, or his wife, Emily A. Sanford at the time of said Alfred Bird's death, it being intended that said annuity shall be a continuation in a reduced amount of the annuity formerly payable to her father Alfred Bird.

(37) Sarah Elizabeth Wyckoff and Mabel Wyckoff, (a sister and niece of the party of the first part), and to the survivor of them, an annuity of \$150 payable quarterly, to be used and applied for the benefit of Clinton Harvey (son of Anna Grace Naquin) during his natural life or until he shall have attained the age of twenty-five years, and thereafter the said annuity shall be paid to the said Clinton Harvey during his natural life. The receipt of said Sarah Elizabeth Wyckoff or Mabel Wyckoff for such payments as shall be made to them shall be full acquittance and discharge of the trustee with respect to such payments.

(38) Sarah Elizabeth Wyckoff and Mabel Wyckoff, (a sister and niece of the party of the first part), and to the survivor of them, an annuity of \$150 payable quarterly, to be

used and applied for the benefit of Grace Elizabeth Harvey (daughter of Anna Grace Naquin) during her natural life or until she shall have attained the age of twenty-five years, and thereafter the said annuity shall be paid to the said Grace Elizabeth Harvey during her natural life. The receipt of said Sarah Elizabeth Wyckoff or Mabel Wyckoff for such payments as shall be made to them shall be full acquittance and discharge of the trustee with respect to such payments.

(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of \$200 per annum, which sum shall be paid January 2, 1924, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the library of the said church. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance in discharge of the Trustee with respect to such payments.

[fol. 183] And, after payment of said annuities together with the expenses and commissions of the said Trustee to apply the residue of the net income to the use of Herbert Sanford Ward during the time of his natural life. Upon the death of the said Herbert Sanford Ward there shall be excepted and reserved from the corpus of the trust fund theretofore held as the Herbert Sanford Ward Trust:

(1) Such sums as in the unrestricted judgment and discretion of the Trustee may be necessary to purchase equivalent annuities for each of the persons then surviving to whom an annuity has been granted and made a prior charge against the income aforesaid, or in lieu thereof such sums as the Trustee may deem necessary to commute and satisfy such equivalent annuities full power and discretion being hereby vested in the Trustee to make such settlement or to effect such arrangement for the satisfaction of such annuities.

(2) The sum of \$50,000 should said Herbert Sanford Ward be survived by his wife, Joyce Ward, which sum the Trustee is in that event directed to hold in trust to apply the net income to the use of the said Joyce Ward during her natural life and upon her death to distribute the corpus of the said fund among the descendants of the said Herbert

Sanford Ward then living in equal shares, per stirpes and not per capita.

and after making such exceptions and reservations, the resultant remainder shall be held in trust by the trustee and its successors to collect and receive the interest, income and profits thereof and apply the net income to the use of the descendants of the said Herbert Sanford Ward living at the time of his death, per stirpes and not per capita, during the natural life of Colville Herbert Sanford-Barclay, and upon his death the said resultant remainder shall be paid over to the descendants of the said Herbert Sanford Ward then living, in equal shares, per stirpes and not per capita. In the event that said Herbert Sanford Ward shall die leaving him no descendants him surviving, then to pay over the resultant remainder to the party of the first part should he be living, and if dead to distribute the same in equal shares among the descendants of the party of the first part, per stirpes and not per capita.

In making such payments and distribution to the former annuitants aforesaid or to the remaindermen above described, the Trustee is authorized to use and deliver in kind [fol. 184] the assets held in the corpus of the said Herbert Sanford Ward Trust, in whatever form it may be at that time invested.

Provided Always Nevertheless that as to each and every trust created hereunder the following provisions shall apply and govern:

1. It shall be lawful for the Trustee to continue to hold any investment, security or other property hereby granted or hereafter added to the trust estate unless the Trustee be directed in writing by the party of the first part to dispose of the same. Nevertheless, the Trustee is authorized to dispose of any investment, security or other property at public or private sale, or by exchange of securities, without direction from the party of the first part, but the Trustee shall not be liable for its failure to dispose of any such investment unless it be directed by the party of the first part to make such change of investment. The Trustee shall be protected with respect to all changes of investments by sale, exchange or reinvestment when its action has been taken pursuant to the written direction of the party of the first part, it being

understood and agreed that both investments and reinvestments hereunder may be made in securities not permitted by law as trust investments, if such investments or reinvestments are made pursuant to the direction of the party of the first part.

Either with or without the written direction of the party of the first part, the Trustee may extend an investment which may become due, consent to the reorganization or consolidation of any corporation or sale to any other corporation or person of the property of any corporation, the stocks, bonds, or other securities of which are at the time held by said Trustee, and likewise either with or without the written direction of the party of the first part, the Trustee may make exchanges of securities and do any act with reference thereto which the Trustee may deem necessary, proper or expedient, including the payment of moneys to enable the said Trustee to obtain the benefit of such reorganization, consolidation or sale of such stocks, bonds or other securities held by said Trustee, and to exercise any option for conversion or additional subscription extended by any such corporation, or in respect to any such stocks, bonds or other securities, and, either with or without such direction from the party of the first part, to make such conversions and subscriptions and to make any necessary payments therefor, and to hold such new securities in said trust without any liability on the part of the Trustee for any act by it taken in good faith, pursuant to the power to it herein granted.

[fol. 185] During the lifetime of the party of the first part, the Trustee may execute full and unlimited proxies to exercise the voting powers upon any stock or securities, forming a part of the trust estates, to the party of the first part, or to such person or persons as the party of the first part may direct. After the death of the party of the first part, the Trustee may give such proxies to such person or persons as it in its discretion may select. The Trustee is authorized to continue any investment of which the Trust estates may consist at the time of the death of the party of the first part and after the death of the party of the first part the Trustee may as to each and every such investments participate in reorganizations, consolidations, or exchanges pursuant to the refinancing of corporations whose securities form a part of the trust estates, applying if the Trustee deems it advisable,

cash out of principal account for such purpose, and the Trustee may continue to hold the new securities issuable to it as the result of such participation. Except as to participation in such reorganizations, consolidations and exchanges aforesaid, the Trustee after the death of the party of the first part shall make all reinvestments in such property and securities as are by the law of New York legal investments for Trustees.

The said Trustee shall be under no liability whatsoever for any loss which may arise from the exercise by the Trustee or its failure to exercise any of the powers herein contained.

2. The party of the first part may either in his lifetime or by last will and testament add to the property constituting the corpus of the respective trusts or of any of them such other property as he may from time to time transfer to the Trustee for that purpose and all such property so transferred in his lifetime shall be designated and described by suitable description thereof indicating the distribution of such property among the respective trusts over the signature of the party of the first part and shall thereupon become subject to all the trusts, powers and limitations hereinbefore expressed with regard to property constituting the respective trusts to which the same are to be added.

3. All income herein required to be distributed and paid over by the Trustee shall be distributed in quarter yearly payments on the first day of January, April, July and October in each year at which time the annuity payments shall likewise be made, except in those cases where a different date of payment is expressly described in the foregoing clauses specifically providing for such annuity payments.

[fol. 186] 4. The Trustee shall receive in full for its compensation for acting as Trustee of the trusts herein created in addition to its necessary expenses, a commission at the rate of One per cent (1%) on the amount of all income received by it and a commission of one-half of one per cent ($\frac{1}{2}$ of 1%) on each distribution or other payment of capital.

5. The Trustee shall not be responsible for any diminution of the trust estates resulting from depreciation of securities or property in which it shall have been invested in good faith, and the Trustee shall not be responsible for

mistakes or errors in judgment, but shall be responsible only for fraud or willful misconduct of the Trustee, its officers and agents.

6. With respect to each and every annuity hereinbefore recited to be paid for the benefit of any person other than the person to whom the same shall be payable the Trustee shall be under no duty whatsoever to see the application thereof by any person to whom such annuity is directed to be paid hereby and the receipt of the latter shall be full and ample protection to the Trustee for all purposes hereunder.

7. No sums payable to annuitants shall accrue in favor of said annuitants until the actual date required for their payment.

8. The party of the first part however reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the Laws of the State of New York and filed with the Trustee; but this right of modification, however, shall in no way be deemed or construed to include any rights or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument.

In all other respects except as modified by this Supplemental Indenture and the Supplemental Indentures hereinbefore referred to, the said Indenture of December 24, 1913 is hereby reaffirmed and ratified especially including the right of the party of the first part to modify any or all of the trusts originally created or modified by said Supplemental Indentures aforesaid.

In Witness Whereof the party of the first part has hereunto set his hand and seal and the party of the second part [fol. 187] has caused its corporate seal to be affixed and these presents to be signed by its Vice-President the day and year first above written.

C. H. Sanford (L. S.). Guaranty Trust Company
of New York, by F. J. H. Sutton, Vice-President.
(Seal)

Attest: C. M. Schmidt, Ass't. Secretary.

STATE OF NEW YORK,
County of New York, ss:

On the 21st day of December, in the year One thousand nine hundred and twenty-three, before me personally came Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

James L. Conway, Notary Public, New York County.
 New York County Clerk's No. 558. New York
 County Register's No. 4496. Certificate filed in
 Bronx County. Bronx County Clerk's No. 42.
 Bronx County Register's No. 206. Commission
 expires March 30, 1924. (Seal.)

[fol. 188] STATE OF NEW YORK,
County of New York, ss:

On the 21st day of December, in the year One thousand nine hundred and twenty-three, before me personally came Frederick J. H. Sutton, to me known, who, being by me duly sworn, did depose and say: that he resides in New York City, New York, and is a Vice-President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

James L. Conway, Notary Public, New York County.
 New York County Clerk's No. 558. New York
 County Register's No. 4496. Certificate filed in
 Bronx County. Bronx County Clerk's No. 42.
 Bronx County Register's No. 206. Commission
 expires March 30, 1924. (Seal.)

[fol. 189] COLVILLE HERBERT SANFORD-BARCLAY TRUST

SCHEDULE "A"

\$155,000. par value Central Argentine Railway Co. Con-
 solidated Ord. Stock (31,000 shares no
 par value, carried at £1 for conveni-
 ence).

3,000. " " Chicago, Milwaukee and St. Paul 4's,
 1934.

SCHEDULE "A"—Continued

\$2,000.	par value	Chicago, Milwaukee and Puget Sound 4's, 1949.
5,000.	" "	Union Pacific 1st Lien and Refunding 4's 2008.
9,000.	" "	Central Argentine Railway Ltd. 10 yr. 6's 1927.
400.	" "	U. S. A. Second Liberty Loan 4 $\frac{1}{4}$'s 1942.
1,000.	" "	Chesapeake & Ohio Equipment Trust 6 $\frac{1}{2}$'s 1932.
1,000.	" "	City of Bordeaux External Loan 6's 1934.
2,500.	" "	City of Lyons External Loan 6's 1934.
1,500.	" "	City of Marseilles External Loan 6's 1934.
6,000.	" "	Government of Argentine Nation 7's 1927.
17,000.	" "	United Kingdom of Great Britain and Ireland 20 yr. 5 $\frac{1}{2}$'s—1937.
11,900.	" "	U. S. A. Treasury 4 $\frac{3}{4}$'s 1926 Series "A".

\$215,300.

Total.

C. H. S.

F. J. H. S.

[fol. 190]

SARITA E. BARCLAY TRUST

SCHEDULE "B"

\$92,500.00	Anglo Argentine Tramways Co. Ltd. 4% Deb. Stock (@ £ 5 par)
17,500.00	Anglo Argentine Tramways Co. Ltd. 5% Deb. Stock (@ £ 5 par)
18,166.67	Argentine Republic 4's, 1961
83,000.00	Baltimore & Ohio 4's, 1959
16,666.66	Brazil Northeastern 1st Debenture Stock
132,000.00	Central Argentine Railway Co. Ltd. 6's, 1927
835,000.00	Central Argentine Railway Co. Ltd. Cons. Ordinary Stk. (no par)
41,000.00	Central Arkansas & Eastern 1st 5's, 1940
8,333.34	Chaplin, Milne, Grenfell & Co. Preferred Stock (@ £ 10 par)
33,000.00	Chicago, Milwaukee & St. Paul 4's, 1934.

SCHEDULE "B"—Continued

Par Value

\$20,000.00	Chicago, Rock Island & Pacific 4's, 1934
80,500.00	City of Bordeaux 6's, 1934
58,500.00	City of Lyons, 6's, 1934
62,000.00	City of Marseilles 6's, 1934
127,500.00	City of Montevideo 5's, 1939
16,000.00	Colorado & Southern 4's, 1929
1,700.00	Freehold Trust Company, C/S (@ \$100. par)
20,000.00	Government of French Republic 8's, 1945
15,000.00	Guaranty Trust Company of New York, C/S @ \$100. par.
3,300.00	J. G. White Company, Preferred
20,000.00	Kansas City Southern 5's, 1950
32,000.00	Kingdom of Belgium 7½'s, 1945
17,000.00	Lake Shore & Michigan Southern 4's, 1931
83,000.00	Lake Shore Electric Railway 5's, 1933
66,700.00	Lanman & Kemp Inc., Preferred (@ \$100. par)
3,400.00	Lanman & Kemp Inc., Common (@ \$100. par)
4,000.00	New York Telephone 4½'s, 1939
9,500.00	Oriental Republic of Uruguay 3½'s
20,000.00	Rio Grande Western 4's, 1939
20,000.00	St. Louis, San Francisco 4's, 1950
20,000.00	St. Louis Southwestern 4's, 1989
83,000.00	St. Louis Southwestern 5's, 1952
586,666.66	Samuel B. Hale Company, Ltd. C/S (@ \$440. par or 1000 pesos)

[fol. 191]

100,000.00	Southern Railway 4's, 1956
33,000.00	Stevensville North & South Texas 1st 5's, 1940
8,500.00	Underground Electric Railways Co. of Lon- don Ltd. 4½'s, 1933
3,000.00	Government of Argentine Nation 7's, 1927
64,000.00	U. S. of A. Treasury 4¼'s 1952
17,700.00	U. S. of A. Treasury 4¾'s 1925
140,000.00	U. S. of A. Treasury 4¾'s 1926 Series "A"

 \$3,013,133.33—Total

 1,434.64—Cash

 \$3,014,567.97—Grand Total.

C. H. S.

F. J. H. S.

[fol. 192]

FRANCES G. PHIPPS TRUST

SCHEDULE "C"

Par Value

\$92,500.00	Anglo Argentine Tramways Co. Ltd. 4% Deb. Stock (@ £5 par)
17,500.00	Anglo Argentine Tramways Co. Ltd. 5% Deb. Stock (@ £5 par)
18,166.66	Argentine Republic 4's, 1961
83,000.00	Baltimore & Ohio 4's, 1959
16,666.67	Brazil Northeastern 1st Debenture Stock
132,000.00	Central Argentine Railway Co. Ltd., 6's, 1927
835,000.00	Central Argentine Railway Co. Ltd., Cons. Ordinary Stock
41,000.00	Central Arkansas & Eastern 1st 5's, 1940
8,333.33	Chaplin, Milne, Grenfell & Co. Preferred Stock (@ £10 par)
33,000.00	Chicago, Milwaukee & St. Paul 4's, 1934
20,000.00	Chicago, Rock Island & Pacific 4's, 1934
80,500.00	City of Bordeaux 6's, 1934
58,500.00	City of Lyons 6's, 1934
62,000.00	City of Marseilles 6's, 1934
127,500.00	City of Montevideo 5's, 1939
16,000.00	Colorado & Southern 4's, 1929
1,700.00	Freehold Trust Company, (C/S) @ (\$100 par)
20,000.00	Government of French Republic 8's, 1945
15,000.00	Guaranty Trust Company of New York C/S @ (\$100 par)
3,300.00	J. G. White Company, Preferred
20,000.00	Kansas City Southern 5's, 1950
32,000.00	Kingdom of Belgium 7½'s, 1945
17,000.00	Lake Shore & Michigan Southern 4's, 1931
83,000.00	Lake Shore Electric Railway 5's, 1933
66,700.00	Lanman & Kemp Inc., Preferred (@ \$100 par)
3,400.00	Lanman & Kemp Inc., Common (@ \$100 par)
4,000.00	New York Telephone 4½'s, 1939
9,500.00	Oriental Republic of Uruguay 3½'s
20,000.00	Rio Grande Western 4's, 1939
20,000.00	St. Louis, San Francisco 4's, 1950
20,000.00	St. Louis Southwestern 4's, 1989
83,000.00	St. Louis Southwestern 5's, 1952

SCHEDULE "C"—Continued

Par Value

\$586,666.67 Samuel B. Hale Co., Ltd. C/S (@ \$440 par
or 1,000 pesos)

[fol. 193]

100,000.00 Southern Railway 4's, 1956
33,000.00 Stevensville North & South Texas 1st 5's,
1940
8,500.00 Underground Electric Railways Co. of Lon-
don Ltd. 4½'s, 1933
3,000.00 Government of Argentine Nation 7's, 1927
64,000.00 U. S. A. Treasury 4¼'s, 1952
17,700.00 U. S. A. Treasury 4¾'s, 1925
140,000.00 U. S. A. Treasury 4¾'s, 1926

\$3,013,133.33—Total

1,473.93—Cash

\$3,014,607.26—Grand Total

C. H. S.

F. J. H. S.

[fol. 194]

HERBERT SANFORD WARD TRUST

SCHEDULE "D"

\$92,500.00 Anglo Argentine Tramway Co. Ltd. 4% Deb.
Stock (£5 par)
17,500.00 Anglo Argentine Tramway Co. Ltd. 5% Deb.
Stock (£5 par)
18,166.67 Argentine Republic 4's, 1961
83,000.00 Baltimore & Ohio 4's, 1959
16,666.67 Brazil Northeastern 1st Debenture Stock
132,000.00 Central Argentine Railway Co. Ltd. 6's, 1927
835,000.00 Central Argentine Railway Co. Ltd. Cons.
Ordinary Stock
41,000.00 Central Arkansas & Eastern 1st 5's, 1940
8,333.33 Chaplin, Milne, Grenfell & Co. Pfd. Stock
(£10 par)
33,000.00 Chicago, Milwaukee & St. Paul 4's, 1934
20,000.00 Chicago, Rock Island & Pacific 4's, 1934
80,500.00 City of Bordeaux 6's, 1934
58,500.00 City of Lyons 6's, 1934
62,000.00 City of Marseilles 6's, 1934

SCHEDULE "D"—Continued

Par Value

\$127,500.00	City of Montevideo 5's, 1939
16,000.00	Colorado & Southern 4's, 1929
1,700.00	Freehold Trust Company Capital Stock (\$100 par)
20,000.00	Government of French Republic 8's, 1945
15,000.00	Guaranty Trust Company of New York Capital Stock (\$100 par)
3,300.00	J. G. White Company, preferred
20,000.00	Kansas City Southern 5's, 1950
32,000.00	Kingdom of Belgium 7½'s, 1945
17,000.00	Lake Shore & Michigan Southern 4's, 1931
83,000.00	Lake Shore Electric Railway 5's, 1933
66,700.00	Lanman & Kemp, Inc. Preferred (\$100 par)
3,400.00	Lanman & Kemp, Inc. Common (\$100 par)
4,000.00	New York Telephone 4½'s, 1939
9,500.00	Oriental Republic of Uruguay 3½'s
20,000.00	Rio Grande Western 4's, 1939
20,000.00	St. Louis, San Francisco 4's, 1950
20,000.00	St. Louis, Southwestern 4's, 1989
83,000.00	St. Louis Southwestern 5's, 1952
586,666.67	Samuel B. Hale Company, Ltd. C/S (\$440 par or 1,000 pesos)

[fol. 195]

100,000.00	Southern Railway 4's, 1956
33,000.00	Stevensville North & South Texas 1st 5's, 1940
8,500.00	Underground Electric Railways Co. of London, Ltd. 4½'s 1933
3,000.00	Government of Argentine Nation 7's, 1927
64,000.00	U. S. of A. Treasury 4¼'s 1952
17,700.00	U. S. of A. Treasury 4¾'s 1925
140,000.00	U. S. of A. Treasury 4¾'s 1926 Series "A"

\$3,013,133.34—Total
 2,804.99—Cash

\$3,015,938.33—Grand Total

C. H. S.

F. J. H. S.

[fol. 196] This supplemental Indenture, made the 10th day of March in the year one thousand nine hundred and twenty-

[fol. 201] This Supplemental Indenture made the 21st day of August in the year one thousand nine hundred and twenty-four, between Charles Henry Sanford, of Freehold, Monmouth County, State of New Jersey, party of the first part, and Guaranty Trust Company of New York (hereinafter for convenience termed the "Trustee"), a corporation organized and existing under the laws of the State of New York, with its principal office and place of business at No. 140 Broadway, New York, N. Y.

Witnesseth, That

Whereas by Indenture dated the 24th day of December, 1913, between the parties hereto, the party of the first part did create various trusts in property, of which the party of the second part was made Trustee, and

Whereas Indentures supplemental thereto have been executed by the said parties, the last being dated March 10, 1924, by which Supplemental Indentures (which together with the Indenture of December 24, 1913 are hereinafter for convenience termed the "Trust Indentures") additions to the trusts created by the Indenture of December 24, 1913 have been made by the party of the first part, modifications have been made with respect to such trusts pursuant to the right reserved in the party of the first part by the terms of the Trust Indentures, and,

Whereas the party of the first part desires to make certain further modifications pursuant to the power reserved to him,

Now, Therefore, pursuant to the power reserved to the party of the first part by the aforesaid Trust Indentures the party of the first part by this Supplemental Indenture does hereby ratify and hereby confirm his previous conveyances to the Trustee of the property respectively described in the said Trust Indentures. Said Trust Indentures respectively describe the present corpus and principal of the four trusts respectively created and for convenience herein and hereafter described as "Colville Herbert Sanford Barclay Trust", "Sarita E. Barclay Trust", "Frances G. Phipps Trust" and "Herbert Sanford Ward Trust", and the party of the first part does hereby ratify each and every act of the Trustee heretofore taken with respect to the investments in said Trust Indentures described, and with respect to all other acts of the Trustee pursuant to the said

Trust Indentures. The Terms and conditions upon which [fol. 202] the property was granted, bargained, sold, assigned, transferred and set over unto the Trustee are hereby modified, as follows:

1. That pursuant to the terms of the "Sarita E. Barclay Trust" the annuity provided thereunder as follows:

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of Five Hundred (\$500) Dollars per annum, which sum shall be paid January 2, 1925, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the Library annexed thereto. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance and discharge of the Trustee with respect to such payments",

is hereby revoked and in its place and stead the following annuity shall be payable out of the income of said "Sarita E. Barclay Trust", to wit:

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of Six Hundred (\$600) Dollars per annum, which sum shall be paid October 1st, 1924, and quarterly thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the Library annexed thereto. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance and discharge of the Trustee with respect to such payments."

2. That pursuant to the terms of the "Frances G. Phipps Trust" the annuity provided thereunder as follows:

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of Five Hundred (\$500) Dollars per annum, which sum shall be paid January 2, 1925, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the Library annexed thereto. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance and discharge of the Trustee with respect to such payments",

four, between Charles Henry Sanford, of Freehold, Monmouth County, State of New Jersey, party of the first part, and Guaranty Trust Company of New York (hereinafter for convenience termed the "Trustee"), a corporation organized and existing under the laws of the State of New York, with its principal office and place of business at No. 140 Broadway, New York, N. Y.

Witnesseth, that Whereas by indenture dated the 24th day of December, 1913, between the parties hereto, the party of the first part did create various trusts in property, of which the party of the second part was made trustee, and

Whereas indentures supplemental thereto have been executed by the said parties, the last being dated December 21, 1923, by which supplemental indentures (which, together with the indenture of December 24, 1913, are hereinafter for convenience termed the "trust indentures") additions to the trust created by the indenture of December 24, 1913 have been made by the party of the first part, modifications have been made with respect to such trusts pursuant to the right reserved in the party of the first part by the terms of the trust indentures, and

Whereas the party of the first part desires to make certain further modifications pursuant to the power reserved to him.

Now Therefore, pursuant to the power reserved to the party of the first part by the aforesaid trust indentures, the party of the first part by this supplemental indenture does hereby ratify and hereby confirm his previous conveyances to the trustee of the property respectively described in the said trust indentures. Said trust indentures respectively describe the present corpus and principal of the four trusts respectively created and for convenience herein and hereafter described as "Colville Herbert Sanford Barclay Trust", "Sarita E. Barclay Trust", "Frances G. Phipps Trust" and "Herbert Sanford Ward Trust", and the party of the first part does hereby ratify each and every act of the trustee heretofore taken with respect to the investments in said trust indentures described and with respect to all other acts of the trustee pursuant to the said trust indentures. The terms and conditions upon which the property was [fol. 197] granted, bargained, sold, assigned, transferred and set over unto the trustee are hereby modified as follows:

1. That pursuant to the terms of the "Sarita E. Barclay Trust" the annuity provided thereunder as follows:

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of \$100 per annum, which sum shall be paid January 2, 1924, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the library of the said Church. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance in discharge of the Trustee with respect to such payments."

is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Sarita E. Barclay Trust", to wit,—

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of \$500 per annum which sum shall be paid January 2, 1925 and on each January 2 thereafter during the continuance of this trust to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the library annexed thereto. Receipt for such payments signed by an officer of the Freehold Trust Company shall be full acquittance and discharge of the trustee with respect to such payments."

2. That pursuant to the terms of the "Frances G. Phipps Trust" the annuity provided thereunder as follows:

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of Two Hundred Dollars (\$200) per annum, which sum shall be paid, January 2, 1924, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company, of Freehold, New Jersey, to be used for the support of the library of the said Church. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance in discharge of the Trustee with respect to such payments."

[fol. 198] is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Frances G. Phipps Trust", to wit,—

"(39) Sanford Memorial Methodist Church of English-town, New Jersey, an annuity of \$500 per annum which sum

shall be paid January 2nd, 1925, and on each January 2 thereafter during the continuance of this trust to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the library annexed thereto. Receipt for such payments signed by an officer of the Freehold Trust Company shall be full acquittance and discharge of the Trustee with respect to such payments."

3. That pursuant to the terms of the "Herbert Sanford Ward Trust" the annuity provided thereunder as follows:

"(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of \$200, per annum, which sum shall be paid January 2, 1924, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the library of the said Church. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance in discharge of the Trustee with respect to such payments."

is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Herbert Sanford Ward Trust", to wit,—

"(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of \$500 per annum, which sum shall be paid January 2, 1925, and on each January 2 thereafter during the continuance of this trust to the Freehold Trust Company of Freehold, New Jersey to be used for the support of the said Church and the library annexed thereto. Receipt for such payments signed by an officer of the Freehold Trust Company shall be full acquittance and discharge of the Trustee with respect to such payments."

[fol. 199] In all other respects except as modified by this supplemental indenture the trust indentures hereinbefore referred to are hereby re-affirmed and ratified, especially including the right of the party of the first part to modify any or all of the trusts created by the trust indentures aforesaid.

In Witness Whereof the party of the first part has hereunto set his hand and seal and the party of the second part has caused its corporate seal to be affixed and these presents

to be signed by its vice-president the day and year first above written.

C. H. Sanford, Guaranty Trust Company of New York, F. J. H. Sutton, Vice President.

(Seal.)

Attest: E. P. Davis, Asst. Secretary.

STATE OF NEW YORK,
County of New York, ss:

On this 10th day of March 1924, before me personally appeared Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

Richard H. Parks, Notary Public, Queens County No. 413. Certificate filed in New York County No. 106. New York County Register's No. 4119. Certificate filed in King's County No. 60. King's County Register's No. 4051. Commission expires March 30, 1924.

(Seal.)

[fol. 200] STATE OF NEW YORK,
County of New York, ss:

On this 10th day of March 1924, before me personally came F. J. H. Sutton to me known, who being by me duly sworn did depose and say that he resides in New York City, New York; that he is a Vice-President of the Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Richard H. Parks, Notary Public, Queens County No. 413. Certificate filed in New York County No. 106. New York County Register's No. 4119. Certificate filed in King's County No. 60. King's County Register's No. 4051. Commission expires March 30, 1924.

(Seal.)

[fol. 203] is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Frances G. Phipps Trust", to wit:

"(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of Seven Hundred (\$700) Dollars per annum, which sum shall be paid October 1st, 1924 and quarterly thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the Library annexed thereto. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance and discharge of the Trustee with respect to such payments."

3. That pursuant to the terms of the "Herbert Sanford Ward Trust" the annuity provided thereunder as follows:

"(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of Five Hundred (\$500) Dollars per annum, which sum shall be paid January 2, 1925, and on each January 2 thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and the Library annexed thereto. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance and discharge of the Trustee with respect to such payments",

is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Herbert Sanford Ward Trust", to wit:

"(39) Sanford Memorial Methodist Church of Englishtown, New Jersey, an annuity of Seven Hundred (\$700) Dollars per annum, which sum shall be paid October 1, 1924, and quarterly thereafter, during the continuance of this Trust, to the Freehold Trust Company of Freehold, New Jersey, to be used for the support of the said Church and Library annexed thereto. Receipt for such payments, signed by an officer of the Freehold Trust Company, shall be full acquittance and discharge of the Trustee with respect to such payments."

[fol. 204]. 4. That pursuant to the terms of the "Sarita E. Barclay Trust" the annuity provided thereunder as follows:

"(1) Emily A. Sanford (the wife of the party of the first part) an annuity of \$17,000, payable quarterly during her natural life",

is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Sarita E. Barclay Trust", to wit:

"(1) Emily A. Sanford (the wife of the party of the first part) an annuity of \$17,000, the payment thereof to be suspended until the date of death of the party of the first part, and thereafter to be payable quarterly during her natural life; the first of such payments to be made on the quarterly date next following the date of death of the party of the first part."

5. That pursuant to the terms of the "Frances G. Phipps Trust" the annuity provided thereunder as follows:

"(1) Emily A. Sanford (the wife of the party of the first part) an annuity of \$17,000, payable quarterly during her natural life",

is hereby revoked and in its place and stead the following annuity shall be payable out of the income of the said "Frances G. Phipps Trust", to wit:

"(1) Emily A. Sanford (the wife of the party of the first part) an annuity of \$17,000, the payment thereof to be suspended until the date of death of the party of the first part, and thereafter to be payable quarterly during her natural life, the first of such payments to be made on the quarterly date next following the date of death of the party of the first part."

6. That pursuant to the terms of the "Herbert Sanford Ward Trust" the annuity provided thereunder as follows:

"(1) Emily A. Sanford (the wife of the party of the first part) an annuity of \$16,000, payable quarterly during her natural life",

is hereby revoked and in its place and stead the following [fol. 205] annuity shall be payable out of the income of the said "Herbert Sanford Ward Trust," to wit:

"(1) Emily A. Sanford (the wife of the party of the first part) an annuity of \$16,000, the payment thereof to be suspended until the date of death of the party of the first

part, and thereafter to be payable quarterly during her natural life, the first of such payments to be made on the quarterly date next following the date of death of the party of the first part."

7. That out of the income of the "Sarita E. Barclay Trust" in addition to the annuities heretofore provided for the following annuity shall also be payable:

"(40) Frederick E. Anderson of Freehold, New Jersey, an annuity of \$200, payable quarterly during his natural life and upon his death such annuity to be continued to his daughter Lillian Anderson during her natural life.

8. That out of the income of the "Frances G. Phipps Trust" in addition to the annuities heretofore provided for, the following annuity shall also be payable:

"(40) Frederick E. Anderson of Freehold, New Jersey, an annuity of \$150, payable quarterly during his natural life and upon his death such annuity to be continued to his daughter Lillian Anderson during her natural life."

9. That out of the income of the "Herbert Sanford Warl Trust" in addition to the annuities heretofore provided for, the following annuity shall also be payable:

"(40) Frederick E. Anderson of Freehold, New Jersey, an annuity of \$150, payable quarterly during his natural life and upon his death such annuity to be continued to his daughter Lillian Anderson during her natural life."

10. That the terms of the said Trust Indentures applying to and governing each trust created thereunder, to wit:

"1. It shall be lawful for the Trustee to continue to hold any investment, security or other property hereby granted or hereafter added to the trust estate unless the Trustee be [fol. 206] directed in writing by the party of the first part to dispose of the same. Nevertheless, the Trustee is authorized to dispose of any investment, security or other property at public or private sale, or by exchange of securities, without direction from the party of the first part, but the Trustee shall not be liable for its failure to dispose of any such investment unless it be directed by the party of the first part to make such change of investment. The Trustee shall be protected with respect to all changes of investments by sale, exchange or reinvestment when its action has been

taken pursuant to the written direction of the party of the first part, it being understood and agreed that both investments and reinvestments hereunder may be made in securities not permitted by law as trust investments, if such investments or reinvestments are made pursuant to the direction of the party of the first part.

Either with or without the written direction of the party of the first part, the Trustee may extend an investment which may become due, consent to the reorganization or consolidation of any corporation or sale to any other corporation or person of the property of any corporation, the stocks, bonds, or other securities of which are at the time held by said Trustee, and likewise either with or without the written direction of the party of the first part, the Trustee may make exchanges of securities and do any act with reference thereto which the Trustee may deem necessary, proper or expedient, including the payment of moneys to enable the said Trustee to obtain the benefit of such reorganization, consolidation or sale of such stocks, bonds or other securities held by said Trustee, and to exercise any option for conversion or additional subscription extended by any such corporation, or in respect to any such stocks, bonds or other securities, and, either with or without such direction from the party of the first part, to make such conversions and subscriptions and to make any necessary payments therefor, and to hold such new securities in said trust without any liability on the part of the Trustee for any act by it taken in good faith, pursuant to the power to it herein granted.

During the lifetime of the party of the first part, the Trustee may execute full and unlimited proxies to exercise the voting powers upon any stock or securities, forming a part of the trust estates, to the party of the first part, or to such person or persons as the party of the first part may direct. After the death of the party of the first part, the Trustee may give such proxies to such person or persons as it in its [fol. 207] discretion may select. The Trustee is authorized to continue any investment of which the trust estates may consist at the time of the death of the party of the first part and after the death of the party of the first part, the Trustee may as to each and every such investments participate in reorganizations, consolidations, or exchanges pursuant to the refinancing of corporations whose securities form a part of the trust estates, applying if the Trustee deems it advisable, cash out of principal account for such purpose, and the

Trustee may continue to hold the new securities issuable to it as the result of such participation. Except as to participation in such reorganizations, consolidations and exchanges aforesaid, the Trustee after the death of the party of the first part shall make all reinvestments in such property and securities as are by the law of New York legal investments for Trustees.

The said Trustee shall be under no liability whatsoever for any loss which may arise from the exercise by the Trustee or its failure to exercise any of the powers herein contained.

2. The party of the first part may either in his lifetime or by last will and testament add to the property constituting the corpus of the respective trusts or of any of them such other property as he may from time to time transfer to the Trustee for that purpose and all such property so transferred in his lifetime shall be designated and described by suitable description thereof indicating the distribution of such property among the respective trusts over the signature of the party of the first part and shall thereupon become subject to all the trusts, powers and limitations hereinbefore expressed with regard to property constituting the respective trusts to which the same are to be added.

3. All income herein required to be distributed and paid over by the Trustee shall be distributed in quarter yearly payments on the first day of January, April, July and October in each year at which time the annuity payments shall likewise be made, except in those cases where a different date of payment is expressly described in the foregoing clauses specifically providing for such annuity payments.

4. The Trustee shall receive in full for its compensation for acting as Trustee of the trusts herein created in addition to its necessary expenses, a commission at the rate of One per cent (1%) on the amount of all income received by it [fol. 208] and a commission of one-half of One per cent ($\frac{1}{2}$ of 1%) on each distribution or other payment of capital.

5. The Trustee shall not be responsible for any diminution of the trust estates resulting from depreciation of securities or property in which it shall have been invested in good faith, and the Trustee shall not be responsible for mistakes or errors in judgment, but shall be responsible only for fraud or willful misconduct of the Trustee, its officers and agents.

6. With respect to each and every annuity hereinbefore recited to be paid for the benefit of any person other than the person to whom the same shall be payable the Trustee shall be under no duty whatsoever to see to the application thereof by any person to whom such annuity is directed to be paid hereby and the receipt of the latter shall be full and ample protection to the Trustee for all purposes hereunder.

7. No sums payable to annuitants shall accrue in favor of said annuitants until the actual date required for their payment.

8. The party of the first part however reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the Laws of the State of New York and filed with the Trustee; but this right of modification, however, shall in no way be deemed or construed to include any rights or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument."

are hereby revoked and in their place and stead the following terms shall apply and govern as to each and every trust created hereunder, to wit:

"1. It shall be lawful for the Trustee to continue to hold any investment, security or other property hereby granted or hereafter part of the trust estate. Nevertheless the Trustee is authorized to dispose of any investment, security or property at public or private sale or by exchange of securities in its absolute discretion. The Trustee shall not be liable for its failure to dispose of any such investment or in respect to any changes of investments by sale, exchange or reinvestment, it being understood and agreed that both in-[fol. 209] vestments and reinvestments hereunder may be made in securities not permitted by law as trust investments.

The Trustee may extend any investment which may become due, consent to the reorganization or consolidation of any corporation or sale to any other corporation or person of the property of any corporation the stocks, bonds or other securities of which are at the time held by such Trustee. The Trustee may make exchanges of securities and do any act with reference thereto which the Trustee may deem necessary, proper or expedient, including the payment of moneys

to enable the said Trustee to obtain the benefit of such reorganization, consolidation or sale of such stocks, bonds or other securities held by said Trustee, and to exercise any option for conversion or additional subscription extended by any such corporation or in respect to any such stocks, bonds or other securities, and to make such conversions and subscriptions, and to make any necessary payments therefor, and to hold such new securities in said trust without any liability on the part of the Trustee for any act by it taken in good faith pursuant to the power to it herein granted.

The Trustee may execute full and unlimited proxies to exercise the voting powers upon any stock or securities forming a part of the trust estates to such person or persons as it in its discretion may select.

The said Trustee shall be under no liability whatsoever for any loss which may arise from the exercise by the Trustee or its failure to exercise any of the powers herein contained.

2. All income herein required to be distributed and paid over by the Trustee shall be distributed in quarter yearly payments on the first day of January, April, July and October in each year, at which time the annuity payments shall likewise be made except in those cases where a different date of payment is expressly described in the foregoing clauses specifically providing for such annuity payments.

3. The Trustee shall receive in full for its compensation for acting as Trustee of the trusts herein created in addition to its necessary expenses a commission at the rate of one per cent (1%) on the amount of all income received by it and a commission of one-half of one per cent ($\frac{1}{2}$ of 1%) on each distribution or other payment of capital.

[fol. 210] 4. The Trustee shall not be responsible for any diminution of the trust estates resulting from depreciation of securities or property in which it shall have invested in good faith, and the Trustee shall not be responsible for mistakes or errors in judgment, but shall be responsible only for fraud or wilful misconduct of the Trustee, its officers and agents.

5. With respect to each and every annuity hereinbefore recited to be paid for the benefit of any person other than the person to whom the same shall be payable the Trustee shall be under no duty whatsoever to see to the application

thereof by any person to whom such annuity is directed to be paid hereby and the receipt of the latter shall be full and ample protection to the Trustee for all purposes hereunder.

6. No sums payable to annuitants shall accrue in favor of said annuitants until the accrual date required for their payment.

7. The party of the first part hereby renounces all rights to further modify the terms of the said trusts or any of them and does hereby surrender all such rights reserved to him by the indenture of December 24th, 1913, and by the various indentures supplemental thereto."

In all other respects except as modified by this Supplemental Indenture the Trust Indentures hereinbefore referred to are hereby reaffirmed and ratified.

In Witness Whereof the party of the first part has hereunto set his hand and seal and the party of the second part has caused its corporate seal to be affixed and these presents to be signed by its Vice President the day and year first above written.

C. H. Sanford, (Seal). Guaranty Trust Company of New York, by F. J. H. Sutton, Vice President.

Attest: C. M. Schmidt, Ass't. Sect'y.

(Seal.)

[fol. 211] STATE OF NEW YORK,
County of New York, ss:

On this 21st day of August 1924, before me personally appeared Charles Henry Sanford, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

Richard H. Parks, Notary Public, Queens County No. 846. Certificate filed in New York Co. No. 138. New York Co. Register's No. 6148. Certificate filed in King's Co. No. 74. King's Co. Register's No. 6071. My Comm. expires March 30, 1926. (Seal.)

STATE OF NEW YORK,
County of New York, ss:

On this 21st day of August 1924, before me personally came F. J. H. Sutton, to me known, who being by me duly

sworn, did depose and say that he resides in New York City, New York; that he is a Vice President of Guaranty Trust Company of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Richard H. Parks, Notary Public, Queens County No. 846. Certificate filed in New York Co. No. 138. New York Co. Register's No. 6148. Certificate filed in King's Co. No. 74. King's Co. Register's No. 6071. My Comm. expires March 30, 1926. (Seal.)

[fol. 212]

18th August 1927.

GUARANTY TRUST COMPANY OF NEW YORK,

Trustee under Deed of Trust dated 24th December 1913
and supplements thereto created by Charles H.
Sanford.

Gentlemen,

Under the terms of the above Trust it is provided that Alfred Bird shall receive an annuity of \$2,000 per annum during his life-time and upon his death that said annuity is to be continued to his daughter, Muriel Jane Bird, in the reduced amount of \$1,000 per annum.

The agreement also provides that said annuities are to be paid only in the event that said Alfred Bird shall continue in the employ of either Charles H. Sanford or his wife Emily A. Sanford.

We are aware of the fact that Mr. Sanford desires the said annuities to be paid to said Alfred Bird and his daughter, Muriel Jane Bird, regardless of the question of employment as aforesaid, and in order that his wishes may be carried out we, the undersigned, as beneficiaries of the Trust hereby authorise and direct you as Trustee to continue the payment of the annuity to said Alfred Bird during his lifetime and upon his death to his daughter, Muriel Jane Bird, in the reduced amount stated and to charge the same against the income of the Trust payable to us or any of us under its provisions, and to treat these annuities in the same manner as though said provision relative to the continuation of the

said Alfred Bird's employment by Mrs. Sanford had not been inserted as a provision of the Trust.

We are, dear Sirs,

Very truly yours, Sarita E. Barclay, Frances Phipps,
Herbert S. Ward.

[fol. 213] IN UNITED STATES CIRCUIT COURT OF APPEALS FOR
THE THIRD CIRCUIT

No. 6776. October Term, 1938

Estate of CHARLES HENRY SANFORD, Deceased, JENNIE R.
BAIRD, Administratrix, c. t. a., Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE, Respondent

MINUTE ENTRY OF ARGUMENT AND SUBMISSION

And afterwards, to wit, the 3d day of October, 1938, come the parties aforesaid by their counsel aforesaid, and this case being called for argument sur pleadings and briefs, before the Honorable J. Warren Davis, Honorable Joseph Buffington and Honorable J. Whitaker Thompson, Circuit Judges, and the Court not being fully advised in the premises, takes further time for the consideration thereof.

[fol. 214] IN UNITED STATES CIRCUIT COURT OF APPEALS FOR
THE THIRD CIRCUIT, OCTOBER TERM, 1938

No. 6776

ESTATE OF CHARLES HENRY SANFORD, DECEASED, JENNIE R.
BAIRD, Administratrix c. t. a., Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE, Respondent

Upon Petition for Review from the United States Board of
Tax Appeals

OPINION—Filed March 25, 1939

Before Davis, Buffington and Thompson, Circuit Judges

THOMPSON, Circuit Judge:

This is a petition for review of a decision of the Board of Tax Appeals. The facts hereinafter stated were stipu-

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lated and are set forth substantially as found in the petitioner's brief:

On December 24, 1913, Charles Henry Sanford, by a single trust indenture created certain trusts naming Guaranty Trust Company of New York as Trustee, and on that date and at various times thereafter transferred certain property to the Trustee. Of these trusts, four alone are here involved, the "Sarita E. Barclay Trust", the "Frances G. Phipps Trust", the "Herbert S. Ward Trust" and the "Colville H. S. Barclay Trust". These four named beneficiaries were alive and in being on August 21, 1924. The [fol. 215] trustee was directed to dispose of the income and ultimately the principal of the different trusts to the named beneficiaries in accordance with the provisions of the trust indenture.

The trust indenture of December 24, 1913, contained, among others, the following provision:

"The party of the first part (Sanford), however, reserves the right to terminate or modify any or all of the trusts herein created by a suitable instrument in writing executed under his hand and seal and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York and filed with the party of the second part." (Guaranty Trust Company of New York.)

Under the power reserved in this provision, Sanford from time to time executed certain supplemental trust indentures amending the provisions of the trusts. Of these, only two are material, namely, the indenture dated November 26, 1919, and the indenture dated August 21, 1924.

By the supplemental indenture of November 26, 1919, Sanford surrendered the power to terminate and to revest in himself all or any part of the income or corpus of the trusts, reserving only a power to modify the trusts in other respects, such as, for example, the power to change beneficiaries. Thus in the supplemental indenture of November 26, 1919, after reciting the powers reserved in the original indenture quoted above and the desire of the settlor to modify such "above-quoted provision," the indenture of November 26, 1919, provided:

"Now, Therefore, the party of the first part does hereby modify the same so that the said clause shall read as follows:

"The party of the first part, however, reserves the right to modify any or all of the trusts herein created by suitable instruments in writing executed under his hand and seal [fol. 216] and duly acknowledged as a deed of real estate is required to be acknowledged under the laws of the State of New York, and filed with the party of the second part; but this right of modification, however, shall in no way be deemed or construed to include any right or privilege in the party of the first part to withdraw principal or income from any trust created by this instrument.' "

Sanford's powers in respect of the trusts lay in this condition for some five years. On August 21, 1924, by a supplemental indenture executed on that date, Sanford surrendered and renounced all the remaining powers over the trusts. Thus the indenture of August 21, 1924, after reciting certain paragraphs of the trust indenture as amended, including the above quoted paragraph in the supplemental indenture of November 26, 1919, provided that such recited paragraphs—

"are hereby revoked and in their place and stead the following terms shall apply and govern as to each and every trust created hereunder, to wit:°

• • • • •

"7. The party of the first part hereby renounces all rights to further modify the terms of the said trusts or any of them and does hereby surrender all such rights reserved to him by the indenture of December 24th, 1913, and by the various indentures supplemental thereto."

Sanford did not file a gift tax return for 1924. He died in 1928 and the administrator of his estate, after a revenue agent had raised the question as to whether the surrender in 1924 of the power to modify the trusts subjected the transfer to a gift tax at that time, filed a gift tax return with the Collector of Internal Revenue for the District of New Jersey. The property held by the trustee on August 21, 1924, was listed in the return, but the administrator, on behalf of the estate, disclaimed any liability for the tax. [fol. 217] The aggregate value of the property held in the trusts as of that date was \$6,846,225.06.

Conferences were thereafter held between representatives of the taxpayer and representatives of the Government. A tentative ruling of the Bureau of Internal Revenue

held that the gifts were made in 1924, and hence were subjected to tax. A later ruling held that the transfers became effective on November 26, 1919, when Sanford relinquished his right to terminate the trusts and the power to modify them in such a way as to enable him to withdraw principal or income, and that since the gifts were completed before any gift tax law became effective, they were not subject to the tax. This ruling was approved by the Under-Secretary of the Treasury, and the petitioner was notified on April 19, 1935, that the gift tax return for 1924 disclosed no tax liability and the case had been marked closed. However, the case was reopened in the Bureau after the decision of the Circuit Court of Appeals for the Second Circuit in the case of *Hesslein v. Hoey*, 91 F. (2d) 954, certiorari denied, 302 U. S. 756, and on October 16, 1937, the Commissioner mailed a notice of a deficiency in the amount of \$1,000,745.00.

Upon appeal the Board of Tax Appeals sustained the action of the Commissioner in asserting the deficiency.

The Revenue Act of 1924 (43 Stat. 253), approved June 2, 1924, imposed a tax upon the transfer of property by gift. No gift tax was in effect in previous years. Section 319 provided:

"For the calendar year 1924 and each calendar year thereafter, a tax equal to the sum of the following is hereby imposed upon the transfer by a resident by gift during such calendar year of any property wherever situated, whether made directly or indirectly, and upon the transfer by a non-resident by gift during such calendar year of any property situated within the United States, whether made directly or indirectly:"

Article 1 of Treasury Regulations 67, promulgated under the Revenue Act of 1924, provides:

[fol. 218] "The creation of a trust, where the grantor retains the power to revest in himself title to the corpus of the trust, does not constitute a gift subject to tax, but the annual income of the trust which is paid over to the beneficiaries shall be treated as a taxable gift for the year in which so paid. Where the power retained by the grantor to revest in himself title to the corpus is not exercised, a taxable transfer will be treated as taking place in the year in which such power is terminated."

This is a negative provision that the gift is not completed if the settlor retains the power to revest the corpus

of the trust in himself. The petitioner maintains that by reason of the Act and Regulation a gift is completed when the settlor surrenders his power to terminate the trust and his privilege to withdraw the principal and interest. This took place on November 26, 1919, which was prior to the effective date of the gift tax act. The Commissioner argues that the gift remained incomplete until such time as the settlor surrendered his right to make any modifications of the terms of the trust. This took place on August 21, 1924, after the effective date of the gift tax act.

The Commissioner frankly admits that in *Hesslein v. Hoey*, supra, the Government took the position that the gift became effective when the settlor surrendered all power to revest title in himself or his estate. The Circuit Court of Appeals for the Second Circuit, however, rejected this view and held that a transfer to a trust was not taxable as a gift so long as the settlor retained the power to modify the trust, even though the modification did not result in a benefit to himself or his estate. Despite a dissent by one of the Circuit Court Judges, the Supreme Court denied certiorari (302 U. S. 756). Had it not been for the ruling by the Second Circuit and the action of the Supreme Court in denying certiorari, we would have favored the view that the tax was imposed on the transfer of property and that the transfer took place when the trustee was given such possession that the settlor could not regain it for himself or his estate. We are persuaded by the reasoning of the majority opinion in *Hesslein v. Hoey*, supra, that a gift is not complete if the donor has the power and privilege to take everything away from the named donee and designate another donee, or to prolong the time before the donee takes possession or to alter the conditions with which the donee must comply before being given possession. Accordingly, we reach the conclusion that until the right to modify the trust agreements was surrendered, there were no gifts upon which a gift tax could be imposed.

The opinion of the Supreme Court in *Helvering v. Reynolds Tobacco Company*, — U. S. — (opinion filed January 30, 1939) does not dispose of the question involved in the instant case.

The decision of the Board of Tax Appeals is affirmed.

A true Copy:

Teste:

— — —, Clerk of the United States Circuit Court
of Appeals for the Third Circuit.

[fol. 220] IN UNITED STATES CIRCUIT COURT OF APPEALS FOR
THE THIRD CIRCUIT

No. 6776. October Term, 1938

ESTATE OF CHARLES HENRY SANFORD, DECEASED, JENNIE R.
BAIRD, Administratrix, c. t. a., Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE, Respondent

JUDGMENT—Filed March 25, 1939

Appeal from the United States Board of Tax Appeals.

This cause came on to be heard on the transcript of record from the United States Board of Tax Appeals, and was argued by counsel.

On consideration whereof, it is now here ordered, adjudged, and decreed by this Court that the order or decree of the said Board of Tax Appeals in this cause be, and the same is hereby affirmed.

Philadelphia, March 25, 1939.

J. W. Thompson, Circuit Judge.

[File endorsement omitted.]

[fol. 221] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 222] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed May 15, 1939

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Third Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accom

panied the petition shall be treated as though filed in response to such writ.

Endorsed on Cover: File No. 43,366. U. S. Circuit Court of Appeals, Third Circuit. Term No. 34. Estate of Charles Henry Sanford, Deceased, Jennie R. Baird, Substitutionary Administratrix, c. t. a., Petitioner, vs. Commissioner of Internal Revenue. Petition for a writ of certiorari and exhibit thereto. Filed April 17, 1939. Term No. 34, O. T. 1939.

(2136)